

uMshwathi Municipality

KZN 221

ANNUAL REPORT

2013/2014 - Financial Year

Annual Report

Vision

uMshwathi Municipality's vision is to create a healthy, secure and self-sustainable community.

Mission

To promote social and economic development through sustainable, effective and efficient use of resources and dependable delivery of basic services in line with our constitutional mandate and continual strive to remain the greenest municipality.

Mantra

"uMshwathi Owethu Let's build together"

2013/2014 Financial Year

This Annual Report is compiled and distributed by uMshwathi Municipality

New Hanover Main Road
Opposite Police Station
3233

Private Bag x 29
Wartburg
3233

Co-ordinates

LATITUDE 29°21'13.86"S

LONGITUDE 30°31'37.05"E

Tel : 033 815 2249

Fax : 033 502 0286

Presidential Hotline

17737

Email : info@umshwathi.gov.za

Website : <http://www.umshwathi.gov.za>

Emergence number

Traffic : 082 216 7218

Police : 10111



Essential Information

Office Hours : Monday to Friday (7:30 – 16:00)

Category of Municipality : Category B

Political Leadership : **Mayor**
Honourable B.M Gwala

Deputy Mayor
Cllr. S.S Mbhele

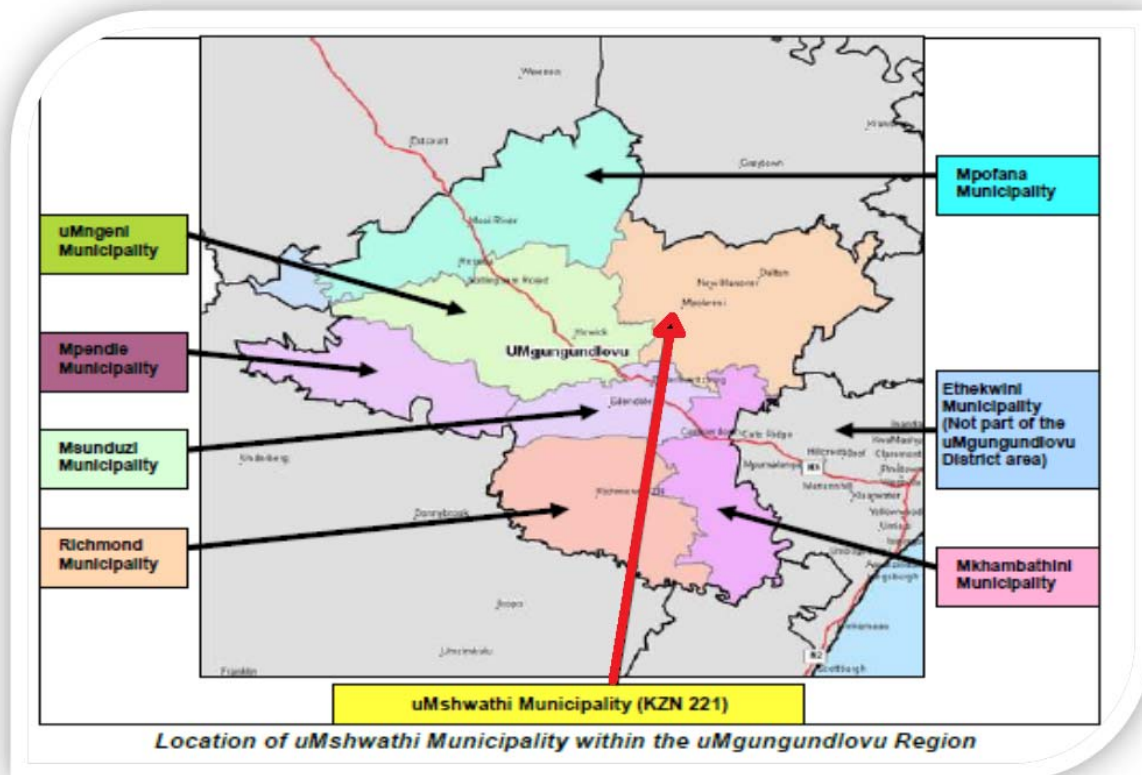
Speaker
Cllr N. M.N Gabela

Senior Management : **Municipal manager**
Mr. B .T Zondi (Acting)
Chief Financial Officer
Mr. R. Mani
General Manager: Community Services
Mr. B.T Zondi
General Manager: Corporate Services
Mr. K Perumal
General Manager: Technical Services
Mr. Pravir Hariparsad

Library Services - Office Hours

Days of the Week	New Hanover	Dalton	Wartburg
Mondays	12:45 - 15:45	12:00 - 17:00	12:00 - 17:00
Tuesdays	08:00 - 12:00	13:00 - 17:00	13:00 - 17:00
Wednesdays	12:45 - 15:45	12:00 - 17:00	12:00 - 17:00
Thursdays	08:00 - 12:00	13:00 - 17:00	13:00 - 17:00
Fridays	Closed	08:00 - 14:00	08:00 - 14:00

MAP OF THE MUNICIPALITY



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The compilation of this 2013/2014 Annual Report derives from the Treasury MFMA Circular 63 guidelines on the new annual Report Format and its contents.

This Annual Report offers the stakeholder(s) and other interested parties an overview of the municipality's operations, activities and performance for the year reporting year. As such, it provides a reflection of the municipality's achievements and challenges encountered towards the attainment of the municipality's commitments as outlined in the strategic documents, which include the following:

- The 2013/2014 Integrated Development Plan
- The 2013/2014 Annual Budget
- The Performance Agreements

This Annual Report presented hereunder has six chapters as outlined :

Volume I

Chapter 1: Mayor's Foreword and Executive Summary;

Chapter 2: Governance;

Chapter 3: Service Delivery Performance;

Chapter 4: Organisational Development Performance;

Chapter 5: Financial Performance;

Chapter 6: Auditor General's Findings; and

Appendices

Volume II:

Annual Financial Statements

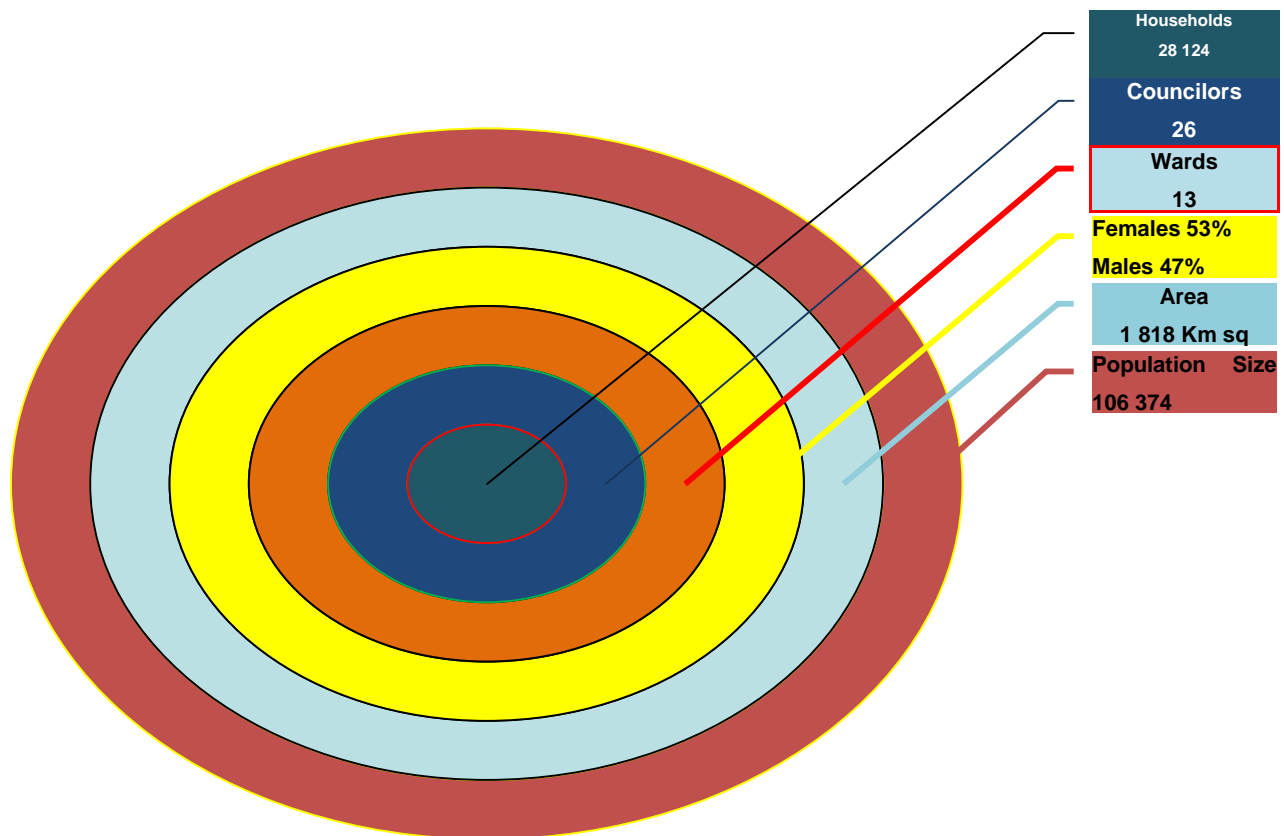
Key Performance Areas

The KPAs of the municipality are aligned to those of the National Government. KPAs assist not only in the prioritization of the areas of performance but also on focusing on the limited resources.

Key Performance Area	Key Focus Area
KPA 1: Basic services delivery	KFA 1: Road and storm water KFA 2: Amenities and public facilities KFA 3: Refuse removal KFA 4: Building compliance KFA 5: Cemeteries management KFA 6: Housing
KPA 2: Institutional development	KFA 7: Human resources development KFA 8: Performance management KFA 9: Information communication technology KFA 10: Municipal facilities KFA 11: Fleet management KFA 12: Organisational structure
KPA 3: Good governance and public participation	KFA 13: Stakeholders participation KFA 14: Risk management KFA 15: Monitoring and evaluation KFA 16: Intergovernmental relations (IGR) KFA 17: Communication KFA 18: Bylaws KFA 19: Governance structure
KPA 4: LED and social development	KFA 20: Local economic development KFA 21: Capacity building KFA 22: Rural development
KPA 5: Financial management and viability	KFA 23: Budgeting KFA 24: Supply chain management KFA 25: Assets management KFA 26: Financial management KFA 27: Financial reporting
KPA 6: Spatial and environmental	KFA 28: Land use management KFA 29: Environmental management

Sources : IDP 2013/2014

uMshwathi in Numbers



Female Headed Households	Agricultural Based Households	Average size of Household	Dependency Ratio	Population Density
49%	9 329	3.7	61.2	59 per KM²

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

It gives me great pleasure to present to you the annual report for the 2013/2014 financial year. The municipality has, like in all other years, continued to delivery on its commitment to provide its citizens with services in a sustainable way. Despite all the challenges that have been encountered inevitably along the way, success has been attained. .



A significant amount of budget allocation has been spent in the past year on infrastructure improvements which, among other things, include roads, community halls and other physical amenities. These projects, such as the housing project, to name but one, are a joint venture with the National Government Department. These expenditures are catalytic and through them it is hoped that development and improve will be driven and this will have a positive impact on the lives of our community as part of the shared vision of the community.

Community Participation

Our planning and operations are driven by our community we serve. The municipality's current vision as contained in this report is a direct product of the community's ongoing participation. Without fail we continue to engage our community meaningfully in the municipality's strategic planning. Our current(delete) IDP was produced following this process and it continues to provide a framework for the municipality's service delivery activities and decision making.

We are continuing on our path to facilitate improvement in the quality of community life. In this regard, an increase in the number of youths registered on skills development programs that are linked to the country's economy skills demand is encouraging. This is a major investment for both our community and for the country as a whole. We hope our youth will grab these life changing opportunities with both hands and use them as stepping stones for their future.

Our work to create an environment that attracts new business and investments is continuing. Our ears are never closed to listen to various business proposal that are presented to council by

businesses at all times. It is a sad reality that some of these proposals take a significant amount of time to come into fruition. The municipality has over the years spent a significant amount of money on local economic projects such as Environmental Management Framework for part of the municipality. I am happy that this project is now nearing its completion and we hope it would assist to create investment growth opportunities.

Despite the notable accomplishments of our municipality, access to basic services such as electricity, water, housing and roads remains a major challenges. These are part of the enduring legacy of infrastructure backlog which undermines local economic development and improvement in the quality of life for some of our citizens.

In 2014, the groundwork was set for the commencement of significant and much-needed capital project that would partly address significantly water supply shortages within the municipality. This water pipe supply project is done by our district municipality and it is a heart-warming response to our community's need for water. More time is, however, needed for this project to be completed.

In accordance with our plans, government departments and a district municipality have made a move to start occupying the Thusong. This is part of our quest to bring services closer to our people. The infrastructure challenge and limited economic opportunities remain a reality for us. These challenges manifest themselves in the high levels of youth unemployment, lack of access to electricity and so on and so forth. The municipality has not turned a blind eye on these challenges and we are continuing to engage vigorously with all relevant government departments, including Eskom and Private Sector.

The municipality has for more than five years continued to receive an unqualified audit report from the Office of the Auditor General. To us it is because of strong collaboration between Council, staff and the public which continues to be the cornerstone of the municipality's success and provides confidence in the community's future.

BM Gwala

Honourable Mayor

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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

This annual report seeks to promote a greater understanding of municipal responsibilities and priorities and to provide an opportunity to our citizens to engage in setting the municipal objectives. The Annual Report, for these reasons, focuses on municipal performance for the previous final year and gives a detailed account of achievements and shortfalls.



Our theme for the previous financial year was based on addressing challenges identified in the municipality turn around strategic response to the community needs. These priority issues are captured in the IDP as the municipal strategic objectives and have become a framework for prioritization and for allocating limited resources.

Conservative financial policies and practice have always been on top of the administration management agenda. Our prudent financial management model has given us the way to measure and report on our ongoing mission which is: to provide the best possible services at the least possible cost. Our commitment to sound financial management and reporting has ensured that over the years including the current financial year the municipality receives an unqualified audit report from the Office of Auditor General.

As always, we value our stakeholder's inputs and suggestions, and we would be glad to hear from (??) regarding the content and quality of our Annual Report.

BT Zondi
Acting Municipal Manager

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1.2 MUNICIPAL OVERVIEW

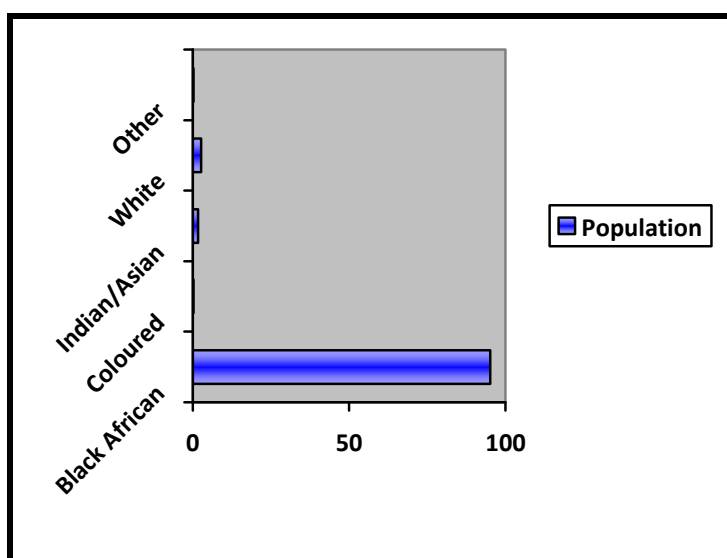
Profile

uMshwathi Municipality is situated within the uMgungundlovu District Municipality immediately adjacent to Pietermaritzburg. uMshwathi comprises four major urban centres (New Hanover, Wartburg, Dalton and Cool Air) as well as the rural residential settlements of Swayimane, Mpolweni, Thokozani and Ozwathini. uMshwathi covers an area of about 1 811 km².

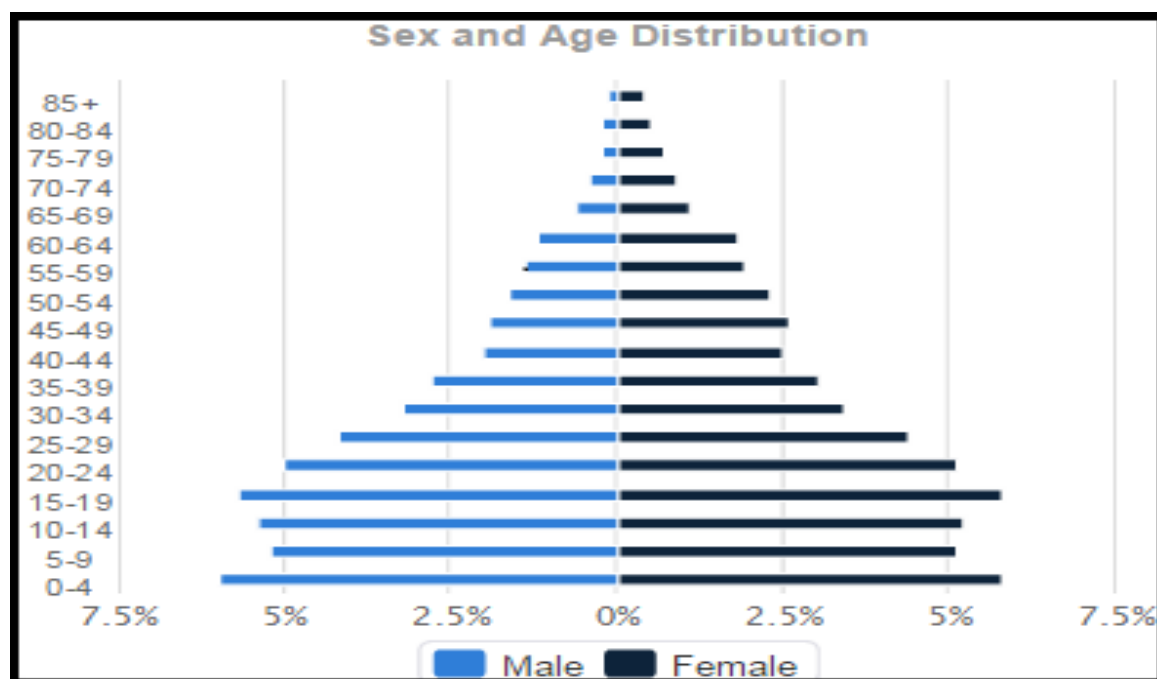
Demographics

According to Statistics South Africa the population size of uMshwathi declined by 0.19% for the ten year period starting from 2001 to 2011. The population gender mix for the area is 90 males per 100 females. The dependency ratio is significantly high at 61.2%. The racial mix of the population comprises mainly of Black Africans who constitute 95% of the population. The white population constitutes 3%, while Indian and other community groups constitute 2%.

The drop in the population for the area can be attributed to migration to urban areas of the (??) to seek employment opportunities. The KwaZulu-Natal province experienced a net outmigration, resulting in the total population loss of 5% for the province.



Population pyramid



The population pyramid in the table above shows the distribution of males and females by age in uMshwathi. The left side of the pyramid shows the percentage of males in each of the five-year age brackets and the right side shows females. A sharp decline in population in ages over 25 is clearly visible on the pyramid graph. Great life expectancy for women is clearly visible on the upper level of the graph and this pattern mirrors the national data.

Economy

The economic profile of uMshwathi municipality is better understood when considered from the broader perspective of the specific environment within which it operates. According to the last census, the area population was approximately 106 374 and an average unemployment rate of 24.7%. The area is rural based with a huge backlog on infrastructure and access to basic services.

Economic development opportunities at uMshwathi include the rehabilitation and development of the towns, middle and high-income housing projects as well as development of a road

corridor linking the N2 and N3 by traversing the municipality. The importance of agriculture in uMshwathi cannot be overemphasized. Sugar cane is the predominant agricultural pursuit. Manufacturing activities are mainly related to agricultural processing activities, notably sugar and timber processing activities

According to uMgungundlovu District Municipality's IDP 2012/13, there are six critical sectors that contribute more than 92% to the district economy. These sectors are agriculture, manufacturing, wholesale and trade, finance, community service and households. Agriculture and forestry are showing a slight decline of 2.4% when compared to the provincial trend for the period. While manufacturing is showing a 2% decline for the province, at district level, it seems consistent at just over 14%. Community service is growing at around 2%.

According to the 2011 census report the overall unemployment rate for the area is 24.9% with youth employment sitting at 31.5%. The municipality has experienced a high unemployment growth from 2001 to 2011. This could be attributable partly to the economic recession which had a dramatic effect on the country's economic growth rate.

LONG TERM VISION OF THE MUNICIPALITY

The municipality continues to focus on increasing access to sustainable service delivery. We continue to support economic development initiative and facilitate initiative that protects our environment and our citizens. Our vision is in harmony with the KZN Provincial Growth & Development Plan (PGDS) as well as the National Development Plan (NDP) with its targets set for the year 2030. The vision, mission and mantra statements are found on the introductory page of this report.

Planning and Development Principles

The planning and development is one of the key economic capacity building activities within our municipality. The government's transformation process, in the legislation that deals with land-use and management, has also led to a radical transformation of municipal planning. The overall objectives of these reforms are to develop a more appropriate, integrated, developmental, strategic and sustainable development planning system based on our Constitution.

These reforms have necessitated development of new tools to strengthen the municipal ability to implement the spatial development framework. This is also an enormous challenge for other departments which are also responsible for ensuring strengthened national planning in cooperation with the other ministries for building a decentralized structure and for ensuring that the municipalities' new planning is in accordance with the overall national planning interests. Shortage of skilled professionals in the planning and development has also exacerbated this problem.

Income levels

A number of individuals struggle with unemployment and lack of income to support their livelihood. Individual monthly income levels within the municipality remains alarmingly low with 92% of the community living on monthly income of less than R3 200. Low household income levels remain a predominant economic problem as it increases community dependence on government grants and financial support. Research studies have shown that a strong correlation exists between income and poverty. This information is important for proper local economic development planning which would lead meaningfully to poverty reduction within the municipality.

Water

Water and sanitation are currently the legislated function of the uMgungundlovu District municipality. The District Municipality is both the Water Services Authority and the Water Services Provider in the uMshwathi Municipality. The District Municipality is thus responsible for both drinking water and wastewater quality throughout the municipality. The community depends on a number of sources for its water needs which include piped water, boreholes, water tankers, springs, rivers and streams. The district has six wastewater treatment works, two of which are located within uMshwathi municipality in Appelsbosch and Cool Air area. Currently 63% of the households have access to piped water within their premises.

The municipality endeavors to continue with the additional rollout of piped water to the balance of the population despite this remaining a challenge. Special care is taken to ensure that areas that have problematic infrastructure which fail regularly and that require infrastructure upgrades, have been taken into account in all the related planning structures of the District Municipality.

Electricity

Provision of electricity to the consumers throughout the municipal area is carried out directly by Eskom. The municipality is not an electricity license holder and therefore cannot provide electricity directly to the community. 57% of the population has access to electricity for cooking. A number of areas within the municipality remain without electricity power lines reticulation due to the lack of additional power stations that could supply electricity that meets the electricity need within the area. The department of Technical Services in the municipality ensures that there is quality and adequate service to the community. The municipality has been allocated some funds for implementation of the electrification projects within the municipality.

Education

The social and economic value of education in the development of a society and a country as a whole cannot be overstated. The Municipality is tasked with a developmental mandate and investment in education is one of key drivers of individual and society success. The municipality no-schooling rate for those above 20 years in is 15.7%. Research indicates that there is a converse relationship between the society level of education and poverty rate and participation in the economic activities. We are, however, encouraged to see an increase in the level and number of high quality schools being built in our area. To assist, the municipality councilors participate in annual back-to-school and matriculants support campaigns.

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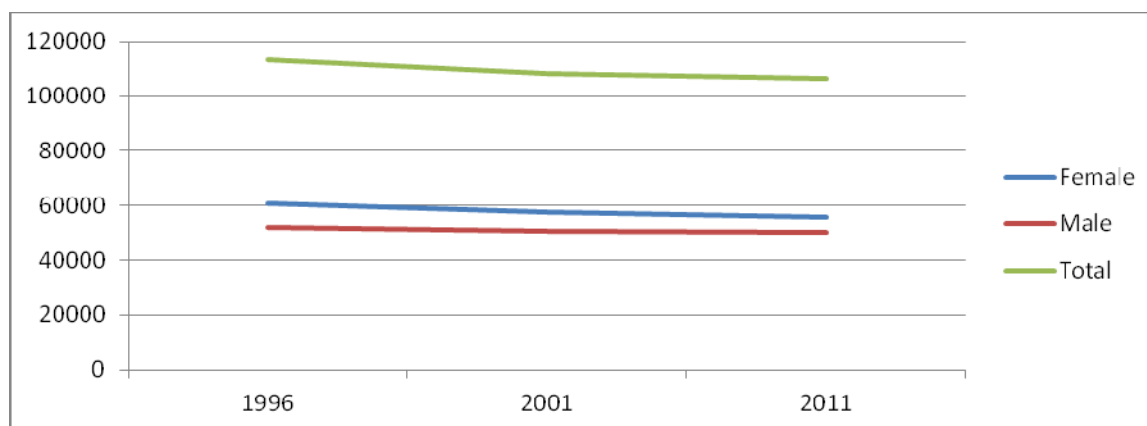
Geographic Context of uMshwathi Municipality

Population Details

Populations Details									
Age	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 - 4	6 291	6 404	12 695	6 065	5 813	11 877	6 424	6 160	12 584
5 - 9	7 093	6 919	14 012	6 815	6 761	13 576	5 582	5 464	11 047
10 - 14	6 906	7 324	14 230	6 950	6 855	13 805	5 769	5 482	11 251
15 - 19	6 395	7 048	13 443	6 208	6 667	12 875	6 101	6 150	12 251
20 - 24	5 324	6 477	11 801	4 903	5 294	10 197	5 360	5 478	10 838
25 - 29	4 118	4 846	8 964	4 114	4 497	8 611	4 508	4 641	9 149
30 - 34	3 193	4 206	7 399	3 146	3 602	6 747	3 444	3 582	7 026
35 - 39	2 983	3 566	6 548	2 822	3 475	6 297	2 971	3 218	6 189
40 - 44	2 297	2 814	5 110	2 364	2 961	5 325	2 160	2 657	4 817
45 - 49	2 017	2 484	4 511	1 921	2 414	4 335	2 031	2 758	4 789
50 - 54	1 443	1 737	3 180	1 775	2 206	3 982	1 714	2 478	4 192
55 - 59	1 267	1 750	3 017	1 148	1 584	2 733	1 487	2 033	3 520
60 - 64	931	1 688	2 619	999	1 629	2 627	1 243	1 955	3 198
65 - 69	809	1 545	2 354	584	1 207	1 791	689	1 192	1 880
70 - 74	559	903	1 462	470	1 143	1 614	475	983	1 458
75 - 79	370	747	1 117	269	677	946	223	703	926
80 - 84	150	288	438	171	542	712	163	518	681
85+	116	216	332	84	289	372	139	438	577
Total	52 260	60 970	113 229	50 808	57 614	108 422	50 484	55 890	106 374

T 1.2.2

Source: Statistics SA Census 2011

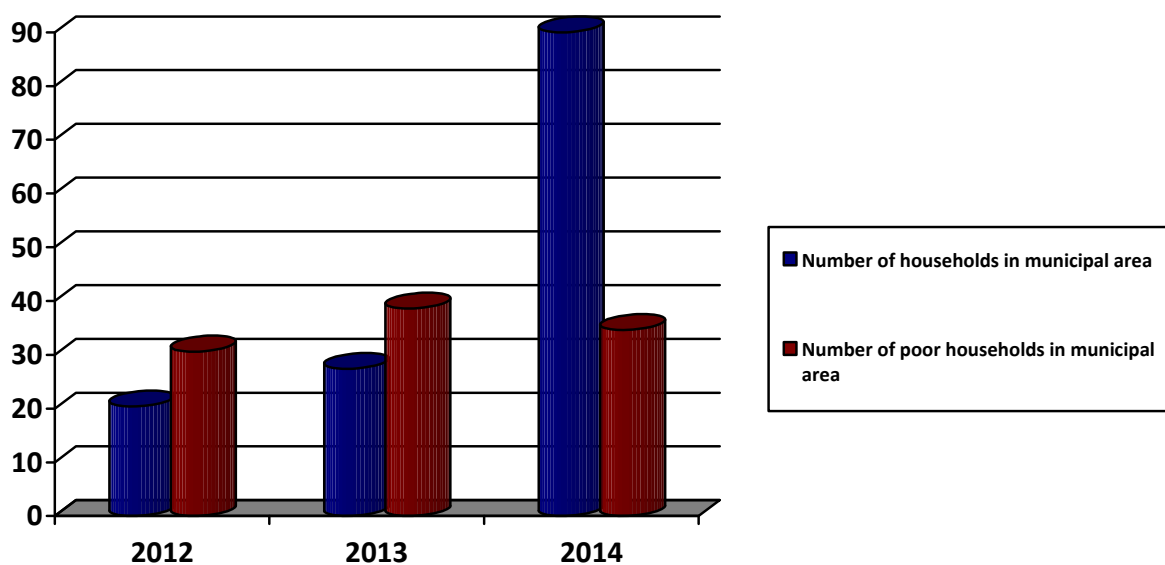


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Population

As per the 2011 Census, the population of uMshwathi municipality is 106 374. Over the past 15 years, the municipality's total population declined by almost 2% between 2001 and 2011, and by 4.2% between 1996 and 2001. The cumulative decline from the Census reports in population numbers from 113 229 in 1996 to 106 374 in 2011 represents a 6.4% reduction. A major contributor to this decline is the drop of 5 080 in the number of the female population. In 2011 female population remained higher, with almost the same number of their population declining . The municipality's population is mainly young people as the people of ages between 0- 35 years account for 70% of the population. The lowest age group is people above the age of 75 years and older who account for only 2.1% of the entire population.

Households

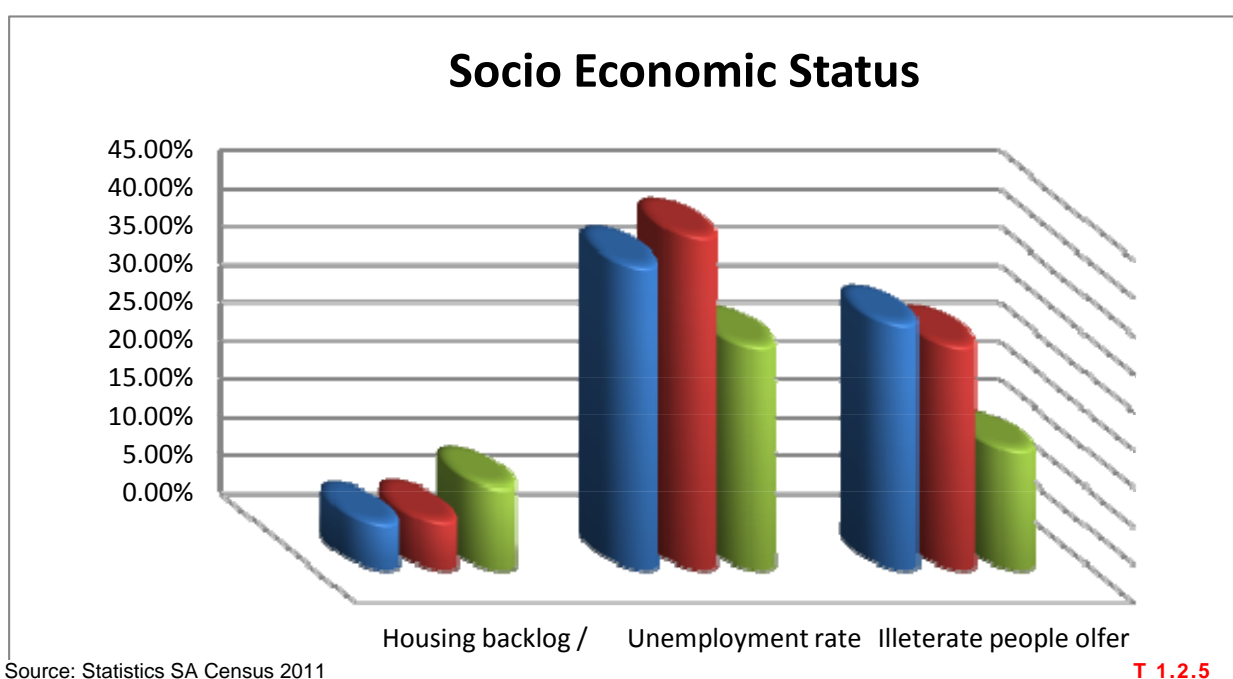


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Year	Housing Backlog as proportion of the population	Unemployment Rate	Illiterate people older than 20 years
1996	6.1%	39.8%	32.1%
2001	6.4%	43.6%	29.4%
2011	10.9%	24.9%	15.7%

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Source: Statistics SA Census 2011



Source: Statistics SA Census 2011

T 1.2.5

The rate of unemployment dropped significantly over the past fifteen years. Partly, this decline could be attributed to the emigration of local job seekers to the urban areas and to other provinces in an effort to secure employment. A drop in the illiteracy rate of people over the age of 20 years is encouraging. The housing backlog figures were taken from a recent survey conducted by the municipality.

Households

Overview of Neighbourhoods within uMshwathi Municipality			
Ward	Households	Area (km2)	Population
Ward 1	4 525	625.37	12 507
Ward 2	2 152	69.48	5 935
Ward 3	2 214	156.42	10 186
Ward 4	2 527	235.59	9 225
Ward 5	2 253	22.12	11 157
Ward 6	1 660	67.08	7 560
Ward 7	2 105	167.06	5 578
Ward 8	1 356	32.25	6 857
Ward 9	3 423	216.92	10 010
Ward 10	1 493	39.15	6 635
Ward 11	1 412	33.35	7 392
Ward 12	1 878	122.31	8 027
Ward 13	1 126	24.84	5 304
Total	28 124	1 811.28	106 374
T 1.2.6			

Source: Statistics SA Census 2011

Natural Resources	
Major Natural Resource	Relevance to Community
Land	Opportunities for agriculture and alternative energy sources
Water dams	Tourism opportunities
Labour force	Opportunity for local economic development through active workforce and educational opportunity through establishment of institutions for further education
T 1.2.7	

COMMENT ON BACKGROUND DATA

As part of the municipality strategic plan a SWOT (strengths, weaknesses, opportunities and threats analysis) analysis was conducted. This has assisted the municipality to identifying and analyze both the internal and external factors that can have an impact on its ability to deliver upon its undertakings as outlined in the IDP. Briefly, the SWOT analysis revealed the following attributes for uMshwathi Municipality.

Strengths <ul style="list-style-type: none"> • Suitably qualified and experienced staff • Acceptance level of compliance with applicable legislative policies and procedures • Sound political and corporate governance is in place • Improvement in service delivery and infrastructure development • Sound intergovernmental relationship and co-operation with local stakeholders 	Weaknesses <ul style="list-style-type: none"> • Lag in HR strategy review and aligned to IDP and key government objectives such as employment of people living with disability and low level of women in management positions. • Low revenue base • Heavy reliance, on primarily agricultural sector for employment • Low skills base and high rate of illiteracy • Lack of economic infrastructure
Opportunities <ul style="list-style-type: none"> • Albert Falls Dams provides a good opportunity to attract investors • 70% of the population is under the age of 35 years which provides a good opportunity for high level of economically active population. 	Threats <ul style="list-style-type: none"> • Deteriorating water quality in the local dams • The municipality does not own land to drive development • Lack of access to water in tribal areas • Heinous crime incidents in the community • High rate of unemployment

T 1.2.8

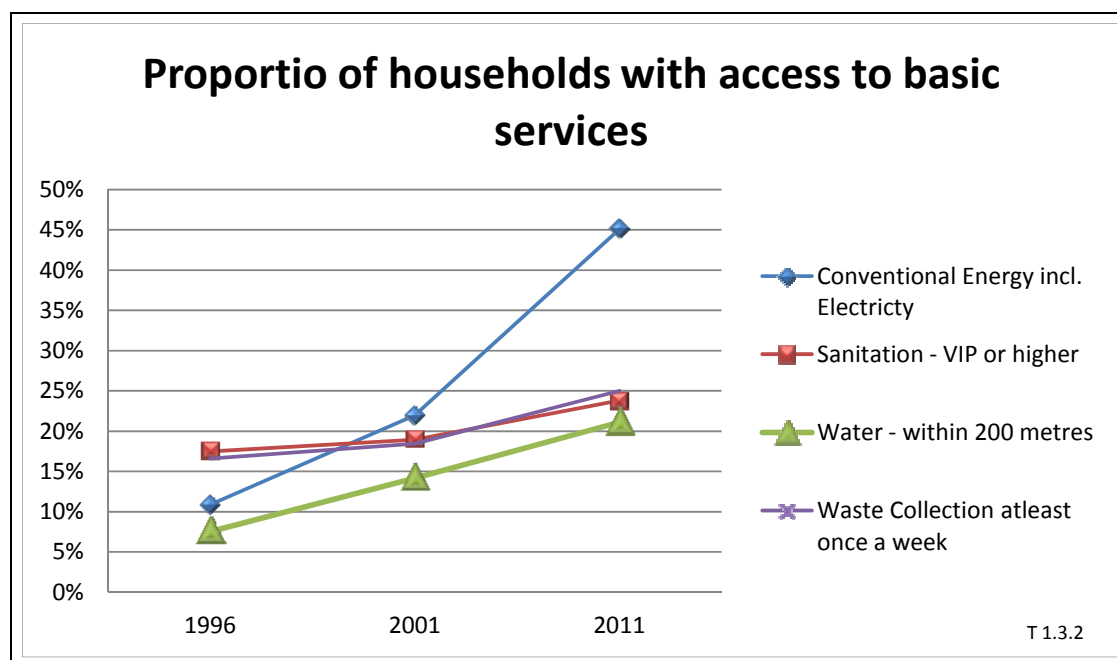
1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

Political freedom and democracy granted us the citizens an opportunity to determine who should govern and on what principles. uMshwathi service delivery initiatives are in-line with the constitution they seek to contribute to the extension of freedom to all our citizens irrespective of their socio-economic status. The Constitution guarantees every citizen access to basic services and our existence is to give credence to the constitutional mandate with the intention of contributing significantly to the improvement of the citizens is quality of life.

The available resources have never been adequate especially for a rural municipality such as ours. We are heavily reliant on the national/provincial government allocation due to a low revenue base. A multifaceted approach is adopted to deal with these challenges. Infrastructural challenges have always been a dominant component in our priority list.

T 1.3.1



T 1.3.2

The access to basic services indicator unequivocally confirms that the municipality is in the growth phase. However the proportional level of access to basic services remains unacceptably low. This is indicative of the historical fact that the existing infrastructure was not designed for a larger population and is increasingly becoming inadequate. This leaves the municipality with the challenge of providing answers to questions relating to the quality of life and environmental standards for its entire population and of ensuring social integration and cohesion.

T 1.3.3

1.4. FINANCIAL HEALTH OVERVIEW

Financial Overview	
Refer to annual financial statements in chapter 5	
T 1.4.1	

Financial Overview : 2013/2014			
Details	Original budget	Adjustment budget	Actual
Income			
Grants	65 620 000	65 740 000	65 775 000
Property rates	22 000 000	23 300 000	23 899 302
Services and other	35 353 000	36 011 000	34 012 723
Sub Total	122 973 000	125 051	123 687 023
Less: Expenditure	89 455 000	91 533	86 971 992
Net Amount		-	
T.1.4.2			

Operating Ratios	
Details	Percentage
Depreciation	7.7%
Employee Cost	41.6%
Finance Charges & Impairment	3.1%
Remuneration of Councilor's	8.8%
Repairs & Maintenance	5.4%
T.1.4.3	

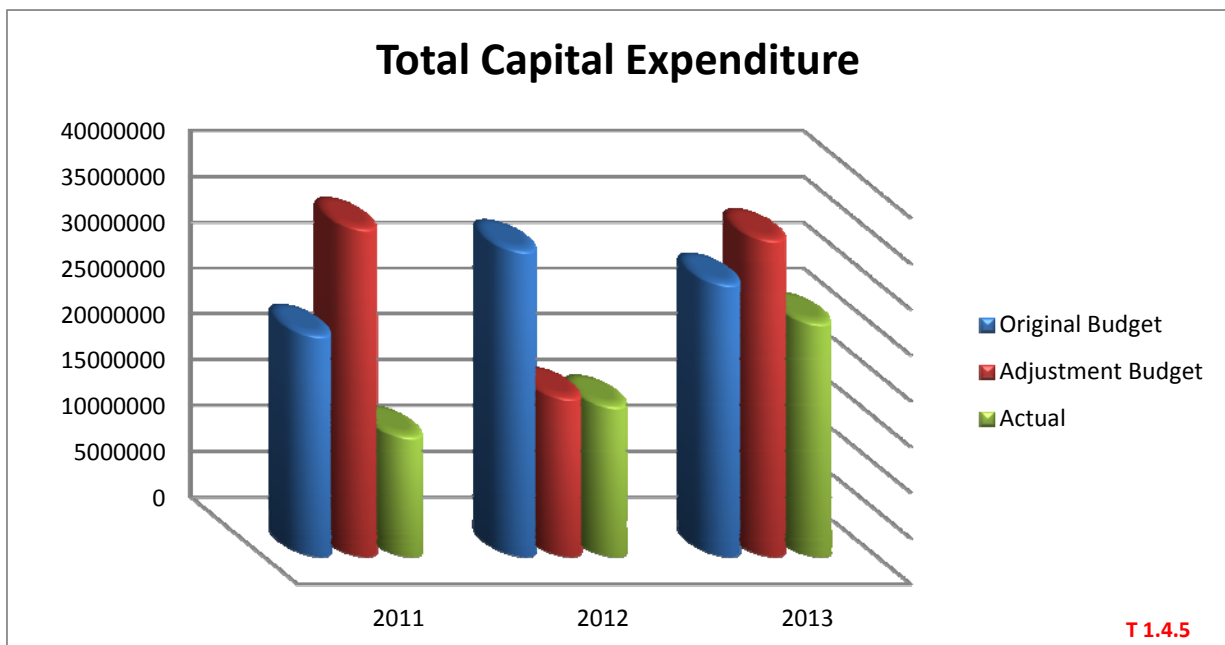
Comment on Operating Ratios

The employment cost for the year was 41.6% which is higher than the recommended upper limit of 30%. This is mainly attributable to the municipality's situation of relatively low revenue base whilst, on the other hand; basic service delivery activities tend to be more labour intensive. This expenditure is, however, well within the allocated budget. The remaining operating ratios are within the acceptable level except for repairs and maintenance. Ideally, the municipality should be spending at least 20% on general repairs and maintenance. However, this desired expenditure is currently not possible due to limited financial resources and the pressing need for basic service delivery.

T 1.4.3

Total Capital Expenditure: Year 2012 to 2014			
Details	2012	2013	2014
Original Budget	33 485 000	29 840 000	33 318 000
Adjustment Budget	17 411 000	34 685 000	44 703 000
Actual	16 510 110	25 569 099	24 544 844

T 1.4.4



T 1.4.5

COMMENT ON CAPITAL EXPENDITURE

The municipality spent R13.8 million of its MIG allocation. This expenditure represents a decline of 25% from R18.4 million which was allocated in the previous financial year. The total amount spent on capital expenditure during the financial year was R24.5 million down from R25.6 million in 2012/2013 Financial year.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

KEY OVERVIEW OF ORGANIZATIONAL DEVELOPMENTS AND CHALLENGES

The municipality recognises the importance of strengthening the capacity, skills and organisational arrangements regarding personnel and organisational development. This function is part of the municipality's continuous transformation effort to be able to improve its service delivery activities. Dependence on improved service delivery on capable, motivated and well trained personnel cannot be overemphasized.

The municipality's human capital management and workforce are currently constituted by five departments. The Corporate Services Department through its Human Resources Section plays a lead role in organisational transformation. This ensures that the Municipality as an organization has the right number of people, the right kind of the people, in the right places, at the right time doing things that are adding value to the municipality an its goals as outlined in the Integrated Development Plan (IDP).

The Human Resources section consists of the following units:

- Personnel Management,
- Job Evaluation,
- Employment Equity,
- Employee Relations,
- Skills Development,
- Organisational Development,
- Occupational Health and Safety,
- Systems and Remuneration, Employee Assistance and
- Human Resources Management Services

The Human Resources Section formulates policies and procedures that are aligned to the Integrated Development Plan that is compliant with legislation and the collective agreements of the South African Local Government Bargaining Council. The Human Resources Section is responsible for the implementation of relevant Human Resources Legislation and policies so that all

Departments are able to contribute in the fulfillment of the following constitutional mandate:-

- Provide democratic and accountable government for local communities
- Provide services to the communities in a sustainable manner
- Promote Social and Economic Development
- Promote safe and healthy environment
- Encourage the involvement of the Community and community organization in local matters

The main objectives of the Human Resources Section include:

- Designing and Implementing the organisational structure aligned to the Municipality's IDP;
- Developing and Implementing of an Integrated Human Resources Strategy ;
- Training and development of employees, Councillors and the unemployed community of uMshwathi Municipality;
- Contributing towards the employability and self- employability of youth and our communities;
- Ensuring a competent workforce to achieve our objectives;
- Improving quality and management control processes;
- Aligning the organisational culture to the business objectives to improve the organisational efficacy and measure.
- Developping and implementing of the HIV / AIDS strategy and employee wellness programme (EAP);
- Motivating employees and implementation of change management programmes;
- Developing and implementing retention and talent management strategies;
- Maintaining a healthy labour relations environment that is conducive;
- Custodianship of the Human Resources Policies;
- Promoting Employment Equity;
- Promoting Occupational Health and Safety;
- Implementing the Task Job Evaluation System;
- Providing management support and leadership on pertinent organisational issues.

T 1.5.1

1.6. AUDITOR GENERAL REPORT

Auditor General report : Year 2013/2014

Refer to chapter 6 point 6.2

T 1.6.1

1.7. STATUTORY ANNUAL REPORT PROCESS

N0.	Activity	Timeframe
1.	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2.	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3.	Finalise the 4th quarter Report for previous financial year	
4.	Submit draft year 2013 Annual Report to Internal Audit and Auditor-General	
5.	Audit/Performance committee considers draft Annual Report of municipality	August
6.	Mayor tables the draft unaudited Annual Report	
7.	Municipality submits draft Annual Report including annual financial statements and performance report to Auditor General	
8.	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
9.	Auditor General audits Annual Report including Annual Financial Statements and Performance data	September – October
10.	Municipalities receive and start to address the Auditor General's comments	November
11.	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
12.	Audited Annual Report is made public and representation is invited	
13.	Oversight Committee assesses Annual Report	
14.	Council adopts Oversight report	December
15.	Oversight report is made public	
16.	Oversight report is submitted to relevant provincial councils	
17.	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January
T 1.7.1		

Comment on the annual activity process

The deadlines indicated above are part of the municipality's sound governance and proper planning indicators. These timelines assist in the alignment of staff activities. It also helps to coordinate the process that leads to timely compilation of the IDP, Budget, Performance Management System, as well as the annual report.

T 1.7.1.1

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Chapter 2 reports on the governance, public participation as well as administration of the municipality.

The municipality is led by the council which has the Constitutionally protected right to determine the structure of the municipality's internal operation. In terms of Section 4(2) of the Systems Act, the Council is primarily tasked with the following obligations:

- Exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the community;
- Provide, without favour or prejudice, democratic and accountable government;
- Encourage the involvement of the community;
- Strive to ensure that municipal services are provided to the community in a financially and environmentally sustainable manner;
- Consult the community about the level, quality, range and impact of municipal services and the available options for service delivery;
- Give members of the community equitable access to the municipal services to which they are entitled;
- Promote and undertake development in the municipality;
- Promote gender equity in the exercise of the municipality's executive and legislative authority; promote a safe and healthy environment in the municipality; and
- Contribute, together with other organs of state, to the progressive realization of the fundamental rights contained in section 24, to 27 and 29 of the Constitution.

Section 19(2) of the Structures Act imposes the following additional executive obligations on every municipal council:

A Council must annually review-

- The needs of the community
- Its priorities to meet those needs
- Its processes for involving the community
- Its organisational and delivery mechanisms for meeting those needs
- Its overall performance in achieving the objects of local government set out in the Constitution.

In terms of the MFMA, the municipal council has the following financial obligation.

- Approval of the budget of the municipality
- Oversight over tabling of annual budget, approval of the service delivery and budget implementation plans or the signing of annual performance agreements
- Adopt and annually review Supply Chain Management Policy

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATION GOVERNANCE

The Political segment of the municipality comprises of a Council. The Chairperson of the Council is the Speaker and the Mayor chairs the Executive Committee of Council. The responsibility for the management of the code of conduct of Councilors rests with the Speaker. This ensures harmonious relationships within Council.

The municipality operates under a collective executive system with the executive committee made up of five councillors. These councilors are the custodians of the community needs and have a number of legislative obligations that are assigned to them in terms of the Acts that govern the existence and functioning of the municipality. These legislative obligation imposed on municipal council include :

- Approval of the budget of the municipality.
- Oversight over tabling of annual budget, approval of service delivery and budget implementation plans or the signing of annual performance agreements and
- Adoption and annually review of the Supply Chain Management Policy.

The administration is led by the municipal manger and is responsible for effective implementation of the council resolutions and day to day operations. The municipal manager's primary responsibilities include ensuring sound and effective interface between the political structure and the administration.

T.2.1.0




INTRODUCTION TO POLITICAL GOVERNANCE

In a relentless pursuit of its developmental mandate the municipality has put in place sound governance support structures. Chief among these support structures are portfolio committees that were appointed in terms of Section 78 and 79 of the Structures Act. These committees provide an oversight and advisory support to council and do not have a final decision making powers.

These committees allow councilors to focus their time on in-depth debates on specific issues. In the absence of committees, all matters would have to be debated in Full Council meetings. Time constraints would make it difficult to address properly the full range of issues for which the Council is responsible. Portfolio committees are constituted as outlined below.

A list of appointed committees and their members is provided below.

T 2.1.1

POLITICAL STRUCTURE	
Position	Functions
 <p>HIS WORSHIP THE MAYOR Cllr B.M Gwala Office of the MAYOR mayor@umshwathi.gov.za</p>	<p>In summary, the Mayor has the following statutory powers and functions:</p> <ul style="list-style-type: none"> (a) presides at meetings of the executive committee; (b) performs the duties, including any ceremonial functions, and exercises the powers delegated to her/him by the municipal council or the executive committee and (c) determines the date, time and venue of ordinary and special executive committee meetings. (d) recommends municipality strategy approach relating to the community needs as determined in the IDP (e) liaises with the municipal manager on the activities of the municipality administration.
 <p>HONORABLE DEP. MAYOR Cllr S.S Zondi Office of the MAYOR mayor@umshwathi.gov.za</p>	<p>The duties of the Deputy Mayor are to support the Mayor and exercises powers and functions of the Mayor if the Mayor is absent or not available.</p>
 <p>HONORABLE SPEAKER Cllr N.M.N Msomi Office of the SPEAKER speaker@umshwathi.gov.za</p>	<p>The key principles underlying the role of the Speaker are:</p> <ul style="list-style-type: none"> (a) chair of council meetings; (b) implementation of the Code of Conduct; and (c) exercise of delegated functions including - <ul style="list-style-type: none"> i. facilitating public participation in legislative matters; ii. establishment and functioning of ward committees; and ii. support to councilors
T 2.1.1	

EXECUTIVE COMMITTEE OF COUNCIL (EXCO)		
Details	Responsibility	Meetings Held
Cllr. B M Gwala :	Chairperson	12
Cllr. S S Zondi	Member	12
Cllr. M J Mkhize	Member	12
Cllr. V M Mncwabe	Member	12
Cllr. A T Thusi	Member	12

EXCO is a standing committee of council, which is appointed amongst its members. The Mayor chairs the committee, but the mayor does not have greater power than other members of the committee. As indicated above, the committee consists of five members including the deputy mayor.

Like municipal council meetings, the meetings are open unless in instances where reasonable exclusion of the public is justifiable due to the nature of the agenda, as provided for in Section 20(2) of the Municipal Systems Act.

An executive committee is the principal committee of the council and as such receives reports from the other committees. The Executive committee considers these reports and deals with them in terms of its delegated powers. Reports received by this committee (EXCO) form the bases of the recommendations to the municipal council for decision on matters relating to:

- passing of by-laws
- approval of a budget
- imposing of rates, taxes or other charges
- taking out of loans
- approval of the IDP
- deciding human resource issues such as the hiring and conditions of service of the municipal manager and heads of administrative departments.

FINANCE		
Details	Responsibility	Meetings Held
Cllr. B M Gwala :	Chairperson	2
Cllr. S J Luthuli	Member	2
Cllr. N P Mdunge	Member	2
Cllr. N A Thusi	Member	2
Cllr. Z A Thusi	Member	2
Cllr. M De Vries	Member	2

The purpose of the Finance Committee is to advise Council of matters relating to the budget, revenue, supply chain management and treasury functioning. The committee is also expected to formulate policies relating to these matters and to monitor their implementation. This committee performs its function by doing, among other things, the following:

- Ensure the provision of efficient income and expenditure, credit control, indigence, and budget services;
- Monitor the implementation of procurement procedures;
- Review income and expenditure reports;
- Interact with members of other portfolio committees and ensure the implementation of sound internal controls on matters relating to finance.

Economic Development and Planning (EDP)		
Details	Responsibility	Meetings Held
Cllr. T A Thusi	Chairperson	5
Cllr. G S Maseko	Member	5
Cllr. E B Mbongwe	Member	5
Cllr. G H Ngcobo	Member	5
Cllr. P Dladla	Member	5

The purpose of the EDP committee is to assist the executive committee on functions pertaining to economic development, planning development and environmental planning as well as the formulation and implementation of monitoring relating to these functions.

Human Resources and Sound Governance		
Details	Responsibility	Meetings Held
Cllr. S S Mbele	Chairperson	4
Cllr.S M Mbatha-Ntuli	Member	4
Cllr. M P Dlamini	Member	4
Cllr. S R J Gumede	Member	4
Cllr. NH Hlophe	Member	4
Cllr. T I Gabela	Member	4

The role of the Human Resources and Sound Governance Committee is to advise the executive committee on matters relating to administration and operation support, legal issues and on strategic human resources and personnel services.

This committee is expected to benefit the council by ensuring the provision of efficient, economical and effective administration of the municipality. This is done through a coordination of secretarial services, to oversee the delivery of human resources services and by rendering management and organisational transformation services. The committee services extend to overseeing the delivery of support services to the council and community.

Municipal Public Accounts Committee (MPAC)		
Details	Responsibility	Meetings Held
		Meetings attended
Cllr. G S Maseko	Chairperson	6
Cllr. S A Duma	Member	6
Cllr. M P Dlamini	Member	6
Cllr. V M Mncwabe	Member	6
Cllr. T A Hlatshwayo	Member	6

The purpose of MPAC is to enhance financial management oversight capacity. MPAC helps the Council to hold the executive and municipal administration to account and to ensure the efficient and effective use of municipal resources. This committee should not be confused with either the internal audit committee or the finance portfolio committee. The internal audit committee is an independent advisory body that advises council and the executive on financial and risk matters and can act as advisory body to MPAC. The finance portfolio committee deals with financial management issues such as budget, revenue and expenditure management and supply chain management.

Infrastructure and Community Services		
Details	Responsibility	Meetings Held
Cllr. M J Mkhize	Chairperson	8
Cllr. R Mungroo	Member	8
Cllr. S A Duma	Member	8
Cllr. N R Khanyile	Member	8
Cllr. M Goba	Member	8
Cllr. V M Mncwabe	Member	8
Cllr. T A Hlatshwayo	Member	8
Cllr. N L Shabangu	Member	8

The purpose of this committee is to, on behalf of council, monitor and advice council on the functioning of the Technical and Community Services on the implementation of its resolutions. Its duties extend to the formulation of policies and by-laws relating to the infrastructure and community services.

Local Labour Forum		
Details	Responsibility	Meetings Held
Cllr. MP Dlamini	Chairperson	3
Cllr. S M Mbatha-Ntuli	Member	3
Cllr. S R J Gumede	Member	3
Cllr. N H Hlophe	Member	3
GM: Corporate Services	Member	3
SAMWU and IMATU Representative	Member	3

The purpose of the Local Labour Forum is to give effect to the Organisational Rights Agreement and the Main Collective Agreement which stipulates that “ every employer shall establish a LLF with equal representation from the Trade Unions and the Employer”. Labour forum was, therefore, established to give effect to these labour related agreements and to avoid non compliance. In specific terms the purpose of the LLF is as follows:

- Allows meaningful consultation and dialogue between the labour and management on an ongoing basis.
- Provides a valuable forum for both union and management to meet, to have free and open exchange, and to ensure a better understanding of key issues and developments within the organisation.
- Serves as a platform where members of both parties will work together on key organisational issues as outlined in the collective agreement and the LRA to find workable solutions and resolve differences, recognizing that at times they may need to agree to disagree.

Audit Committee		
Details	Responsibility	Meetings Held
Professor Stobie	Chairperson	5
Dr Thebethe	Member	5
Ms P Sithole	Member	5
Ms LM Molapo	Member	5
Ms SK Narshal	Member	5
Internal Auditors	Member	5
AG's representative	Member	5
COGTA representative	Member	5

T 2.1.1

The Audit Committee is a committee of the Council that performs the statutory responsibilities assigned to it by the MFMA sections 165 and 166, and other relevant responsibilities delegated to it under its charter as approved by the Council. The committee also performs the functions of a performance management Audit Committee as required by Municipal Planning and Performance Management Regulations, 2001. The committee is pleased to present its report for the financial year ended 30 June 2014.

Terms of reference

The committee adopted appropriate terms of reference as contained in its charter which has been approved by the Council. It has executed its duties during the reporting period in accordance with these terms of reference. The internal and external auditors have unrestricted access to the audit committee.

Oversight role

The committee has met with both internal and external auditors and reviewed their plans and reports. Where appropriate the committee has made recommendations to management and, if necessary, Council to deal with the issues raised. The committee is satisfied that all material issues have been appropriately addressed.

The committee has reviewed the internal audit charter and is satisfied with the effectiveness of the internal audit function. Co-operation between external and internal audit has been encouraged in the interests of efficiency.

Evaluation of financial statements

The committee has reviewed the draft and final audited annual financial statements to be included in the annual report, together with the management letter from the Auditor-General's office. It is satisfied with the resolution of the issues raised and thus concurs with and accepts the opinion on the audited financial statements. We concur that the adoption of the going concern assumption in the preparation of the financial statements is appropriate.

COUNCILLORS

The Council comprises of twenty six (26) councilors of which thirteen (13) are Ward Councillors and the balance are proportional representative (PR) councillors.

The political parties are represented as follows:

- 19** African National Congress (ANC)
- 2** Democratic Alliance (DA)
- 3** Inkatha Freedom Party (IFP)
- 2** National Freedom Party (NFP)

The following Councillors represent the municipality in uMgungundlovu District Municipality (UMDM).

- Cllr GS Maseko
- Cllr SM Mbatha-Ntuli

Additional information concerning Councillors committee allocation and council attendance appears on **Appendix A**

T 2.1.2

POLITICAL DECISION-TAKING

The municipality's Council and portfolio committee meetings are conducted in accordance with the approved Standing Rules and Orders. These standing rules and orders are in accordance with section 160(6) of The Constitution and section 4 of schedule 1 of the local Government: Municipal System Act, 2000 (Act No. 32 of 2000).

These operational procedures govern the conduct of business and proceedings of council and its committees in conjunction with any other applicable legislative guideline/s. Where these rules do not provide for a matter, the Speaker, in determining the correct procedure, may refer to the rules.

T 2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

Introduction

The municipal administration is led by the municipal manager who also chairs the management committee. The management committee advises the municipal manager on the operational issues and assists in the strategic implementation of the council resolutions. In a nutshell, the administration is tasked with the responsibility of ensuring sound and effective administrative governance and of ensuring sustainable service delivery to the community. The municipal manager reports to the mayor and is supported by four HOD's of the following departments:

- Community services
- Corporate services
- Finance
- Technical services

Our municipality's administration responsibilities can generally be summarised as follows:

- Implements the lawful policies, resolutions and bylaws of the municipal council and the policies and laws of other spheres of government.
- Advises the council and its structures.
- Makes administrative/operational policies. Guideline Document on the Roles and
- Manages, operates and maintains the provision of services in a sustainable and equitable manner.
- Administers the affairs of the municipality.
- Manages the municipality's resources.

T 2.2.1

Municipal Manager and Head of Departments

Position	Functions	
 <p>General Manager: Community Services and Acting Municipal Manager Mr. B.T. Zondi</p>	Municipal Managers Office <ul style="list-style-type: none"> • Communications • Information Communication Technology (ICT) • Internal Audit • Monitoring and Evaluation (Finance) • Monitoring and Evaluation (Service delivery) • Support Services 	Community Services <ul style="list-style-type: none"> • IDP, Town and Regional Planning • Economic Growth and Development • Special Projects • Gender and Disability, Child Care Facilities • Community Facilities • Health Care Services • Protection Services • Motor Licensing Bureau • Human Settlements • Youth Development Affairs • Cemetery Management • Disaster Management
 <p>General Manager: Corporate Services Mr. K. Perumal</p>	<ul style="list-style-type: none"> • Administration • Customer Care • Facilities Management • Fleet Management • Information Communication Technology (ICT) • Labour Relations • Legal Support • Occupational Health and Safety Co-ordination 	<ul style="list-style-type: none"> • Performance Management • Personnel Management Service • Record Management • Secretariat Function • Staff Transformation • Thusong Centre Management • Training and Development
 <p>Chief Financial Officer (CFO) Mr. R.M Mani</p>	<ul style="list-style-type: none"> • Assets Management • Budgeting • Expenditure Management • Financial Administration 	<ul style="list-style-type: none"> • Procurement and Stock Management • Revenue and Debt Management • Supply Chain Management
 <p>General Manager: Technical Services Mr. P. Hariparsad</p>	<ul style="list-style-type: none"> • Building Regulation • Cleansing Services • Infrastructure Maintenance • Municipal Parks and Recreation • Municipal Roads • Pounds • Project Management • Public Places • Refuse Removal , Solid Waste Disposal 	

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

According to The Constitution, the government is made up of three spheres which are distinctive, interdependent and interrelated. uMshwathi municipality recognized that, as an independent sphere of government, it exists within the context of a unitary South Africa. As a result, the municipality exercises a great degree of active involvement, cooperation and support to other spheres of government in order to ensure success and effective delivery of government programs.

The municipality's intergovernmental activities include the following activities:

- Coordination and alignment of the municipal plans with other spheres of government.
- Facilitation of information and knowledge sharing with other spheres of government. This includes managerial and technical capacity sharing through study tours, exchange programmes, seminars and conferences.
- Participation on job creation through the public works programmes.
- Ensuring consistent positive image and message with other spheres of government.
- Ensuring the alignment of municipal budgets and IDP planning and implementation with provincial and national government departments.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURE

National Intergovernmental structures

The municipality actively takes an interest in all intergovernmental activities organized at the National Government level. This includes attending conferences and workshops that seek to bolster interaction between the municipalities with other government departments. During the reporting period, two senior staff members attended a Diplomatic workshop in Pretoria, organized by the Department of International Relations & Cooperation. Other IGR sessions attended were organized by the National Treasury department and were delivered at the local level.

Provincial Intergovernmental Structure

The municipality is constantly in interaction with most provincial government departments on a needs basis. This includes cooperation with the Department of Human Settlement on the delivery of housing and the Provincial Treasury on finance and procurement related matters. Constant flow of information and exchange of ideas and cooperation also takes place with the COGTA on matters such as funding, statutory reporting and so forth. As a rural based municipality that is dependent on agriculture, we are constantly in touch with the department of Agriculture with a view of maximizing their support in assisting our community to utilize the land at their disposal effectively.

During the previous financial year, a number of joint public participation programs were organized in collaboration with the provincial departments. These joint programs were anchored on a number of themes, including the fight against crime directed at senior citizens, women and children.

District Intergovernmental Structure

The Budget, IDP and PMS public participation events were held in cooperation with the district municipality to address the community on the challenges relating to water services delivery and general infrastructure development.

T.2.3.1

PROVINCIAL AND DISTRICT INTERGOVERNMENTAL STRUCTURE

During the financial year, the municipality's officials and councilors actively participated in the following forums:

- Mayor's forum
- Speakers' forum
- Municipal managers' forum
- Chief Financial Officer's Forum
- Provincial Supply Chain Management Forum
- District environmental and Waste Management Forum
- Road and Transport Forum
- IDP Consultative Forum
- Premier Co-ordinating Forum
- Operation Sukuma Sakhe (OSS)

Participation in these forums promotes values of intergovernmental relationship which promote coordinated planning, consultation and information sharing within the three spheres of government. Operation Sukuma Sakhe is driven at the Office Of the Premier. The programme seeks to integrate all departments to focus on solving community problems from the ground. The campaign is aimed at promoting human values, fighting crime, diseases and social ills to ensure moral regeneration. As part of this programme, the municipality together with all government departments work together visiting the poorest and most deprived households in our province to bring health, welfare and other services to them. Operation Sukuma Sakhe encompasses a number of community health and development programme including the "One Home One Garden programme" and Department of Health "Khula Mntwana Programme".

OSS operation also ensures that families get assisted to register for birth certificates and Identity Documents; promotes education, skills development and youth development and emphasizes the delivery of services and infrastructure development.

T 2.3.2 & T 2.3.4

RELATIONSHIP WITH MUNICIPAL ENTITIES

The municipality does not have entities.

T 2.3.3

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Various sections of The Constitution stress the importance of public participation in the government decision-making process, premised on the principles of transparency, openness and accountability governance. Public participation means that citizens should be able to interact with government on decisions that affect them.

Chapter 4 of the Municipal Systems Act No.32 of 2000 requires the municipality to develop a culture of public participation and also provides guidance to assist the municipality to comply with this requirement.

The Department of Community Services is responsible for coordinating all community engagement activities, including public participation and is assisted by Councilor Matter Section which is relatively well resourced. Any concern received from the community; either direct or via the Presidential Hotline is handled by a dedicated staff member. The Municipal Manager personally attends to such matters and are promptly responded to.

Ward committees have a direct access to the office of the Speaker, which provides them with support and monitors their performance. Annual public participation sessions for the formulation of IDP, Budget and Performance Review are held in all wards. This annual strategic planning session culminates in a consolidation Imbizo that is held jointly with the District Municipality.

A register of all reported public concern issues is maintained.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNITY PARTICIPATION AND FORUMS

During the financial year, a number of public participation forums were conducted in all wards in the process of formulation of the current year's strategic approach and documents.

The IDP and Budget public consultation process culminated in Imbizo for all wards which took place on the 12 April 2013 in ward 6, which was organized jointly with the district municipality. On the 19th April 2013, a separate plans consolidation forum was also held with the stakeholders from business, farmers unions as well as ratepayers associations. These various public and stakeholders consultative meetings led to the creation of the current IDP and budget allocation for the current financial year.

T 2.4.1

WARD COMMITTEES

The Council believes that effective functioning ward committees are fundamental to meaningful public participatory governance process. Training has been provided to ward committees to enable them to understand their responsibilities and enable them to perform their ward community representation duties properly.

The number of reports received from all the ward committees regarding their activities have increased during the year. Activities of the ward committees are also incorporated into the municipality's annual budget in line with the COGTA guidelines. A dedicated team of fulltime staff members has been established to lead the necessary administrative support to these committees.

T 2.4.2

Nature and purpose of meeting	Date of events available on request: Number of meetings	Number of participating Municipal Councillors	Number of participating Municipal Administrators	Number of Community members attending	Issues addressed (Yes/No)	Date and manner of feedback given to community
IDP Public Participation – Ward 1	6	Atleast one at all times	Varies	Accurate data not kept	Yes	19 April 2013 - 20 May 2013
IDP Public Participation – Ward 2	10	Atleast one at all times	Varies	Accurate data not kept	Yes	19 April 2013 - 20 May 2013
IDP Public Participation – Ward 3	10	Atleast one at all times	Varies	Accurate data not kept	Yes	19 April 2013 - 20 May 2013
IDP Public Participation – Ward 4	7	Atleast one at all times	Varies	Accurate data not kept	Yes	19 April 2013 - 20 May 2013
IDP Public Participation – Ward 5	5	Atleast one at all times	Varies	Accurate data not kept	Yes	19 April 2013 - 20 May 2013
IDP Public Participation – Ward 6	6	Atleast one at all times	Varies	Accurate data not kept	Yes	19 April 2013 - 20 May 2013
IDP Public Participation – Ward 7	4	Atleast one at all times	Varies	Accurate data not kept	Yes	19 April 2013 - 20 May 2013
IDP Public Participation – Ward 8	5	Atleast one at all times	Varies	Accurate data not kept	Yes	19 April 2013 - 20 May 2013
IDP Public Participation – Ward 9	7	Atleast one at all times	Varies	Accurate data not kept	Yes	19 April 2013 - 20 May 2013
IDP Public Participation – Ward 10	4	Atleast one at all times	Varies	Accurate data not kept	Yes	19 April 2013 - 20 May 2013
IDP Public Participation – Ward 11	9	Atleast one at all times	Varies	Accurate data not kept	Yes	19 April 2013 - 20 May 2013
IDP Public Participation – Ward 12	7	Atleast one at all times	Varies	Accurate data not kept	Yes	19 April 2013 - 20 May 2013
IDP Public Participation – Ward 13	4	Atleast one at all times	Varies	Accurate data not kept	Yes	19 April 2013 - 20 May 2013
T 2.4.3						

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

A tremendous support is continuously being received from community members during public participation meetings. General observation indicates that, on average, all meeting lasted for more than three hours due to the level of attendees' enthusiasm to constructively engage with the municipality.

Without exception, all our events were conducted in a harmonious spirit and without any unwarranted incident. At a ward level and where appropriate the Ward Councilor presides over these meeting assisted by members of the ward committee and the council officials are granted the observer status in order for them to have a first-hand experience of the communities expectations and concerns

T 2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

T 2.5.1

OPERATION SUKUMA SAKHE

The municipality participates fully on the provincial based Operation Sukuma Sakhe (OSS) programme. The purpose of the programme is to take the government to the people in a coordinated manner. “sukuma sakhe” is a zulu phrase which means stand up and build.

To give effect to the functioning of the programme the municipality has allocated a manager to each ward. Sukuma sakhe meetings are currently being held at least twice a month. These meetings are held at a ward level in a forum called “war room” that coordinates the planning and sharing of information between various stakeholders which include , provincial government departments, local schools representation, NGO’s , youth organisations, municipality representatives, community development works and so on. Pressing issues, such as health, employment, child support grants, poverty, etc, are discussed at this forum. Activities and discussions are informed by a profiling process that is conduct to households within a ward. Identified needs for interventions are then communicated to the relevant government departments and other organisation.

T 2.5.2

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE STRUCTURE

uMshwathi established corporate governance structure is geared towards the achievement of effective corporate governance. The performance of this structure is constantly monitored by the Council. The structure and mechanisms as well as institutional arrangements for corporate governance within the municipality are provided hereunder:

- Adhered to legislative compliance requirements
- Code of Conduct for Councillors and Officials distributed to all
- Committees of Council are fully functional
- Conducted Human Resource Audit and qualification verification to ensure that council achieves outcome 9 deliverable
- Conducted internal financial procedures training
- Engage in capacity building programmes for officials to meet minimum competency

requirements

- Established Local Labour Forum to ensure harmonious work place relationships with organised labour
- Fraud and Corruption issues are being addressed in Licensing Centres in particular, and in all other departments.
- IGR Framework is implemented, and the coordination is functional and effective.
- Institutionalised internal Financial Controls
- Oversight Committees which are Audit and MPAC are all functional.

T 2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT OVERVIEW

Risk management is a fundamental part of strategic management. Good governance dictates, amongst other things, that an organisation's success in meeting its objectives is dependent largely on the choices that it makes when it comes to risk management. These may involve how an organization is managed, its organizational culture, policies, strategies and the way it deals with its stakeholders.

The municipality has adopted the following strategy as part of its risk mitigation strategy:

- Effective Audit committee exists to advise council on risk management and to monitor the effectiveness of internal auditors. Their duties include the approval of the risk based audit plan that is developed annually by internal auditors.
- Work of the Audit Committee is co-ordinated with that of other committees, specifically the Municipal Public Accounts Committee.
- Policies to guide decision-making are in place and are reviewed periodically.
- Recommendations of both Internal Auditors and Auditors General are attended to promptly. Municipality has over the years seen a major reduction on the number of risk management issues that are raised by its auditors.

Annually, the municipality trains staff on job related matters as well as on general management issues. This increases their awareness on risk management issues.

T 2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The constitution sets out the basic values and principles that govern public administration. In chapter 10, section 195, these values are mentioned to be the following:

- A high standard of professional ethics;
- Efficient and economic use of resources;
- Services provided impartially, fairly, equitably, and without bias;
- Public administration must be accountable; and
- Transparency must be fostered.

In support of these constitutional imperatives a number of pieces of legislation, including MFMA, PFMA and so on, were promulgated. To give effect to these noble values and principles, municipality guidelines that regulate the conduct of both Councilors and Officials are in place. These guidelines cover areas such as procurement, selection and recruitment, expenditure related decision and so on.

To help the Council to deal with fraud and its allegations MPAC exists and meets regularly. All fraud allegations received are also dealt with promptly. In the coming years we are hoping to improve our anti-corruption strategy and to improve the awareness of our employees.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

Supply chain management (SCM) is “ interconnected processes of Demand Management; Acquisition Management; Logistics Management; Disposal Management; SCM Performance management and Risk management”. (state the source of this quotation)

uMshwathi Municipality has a Supply Chain Management unit (SCMU) under the direct supervision of the Chief Financial Officer in the Budget and Treasury Office. Current staff compliment of the SCMU is 2 (two) permanent employees (Manager and Clerk) and 2 (two) interns.

SCM Policy was adopted by council under a resolution number C362, and is subject to annual review. All three bid committees are in place and are fully functional. Members of these committees are listed below.

The municipality has an electronic system for registration of supplier database and the number of registered suppliers who are interested in doing business with municipality is increasing on annually.

MUNICIPAL BID COMMITTEES		
BID SPECIFICATION	BID EVALUATION	BID ADJUDICATION
<ul style="list-style-type: none"> • Mrs Amudha Naguran • Mr Mandla Zondi • Mr Wilfred Ntshangase • Mr Phumlani Gwala • Ms Thobeka Nyembe 	<ul style="list-style-type: none"> • Mr Winston Robson • Mr Ashley Hay • Mr Bheki Zondi • Mr Sandile Gabela 	<ul style="list-style-type: none"> • Mr Kevin Perumal • Mr Trevor Zondi • Mr Ramesh Mani • Mr Pravir Hariparsad

2.9 BY-LAWS

Promulgated Municipality By-laws
List of existing By-laws
Standing rules and orders for council and its committees
Keeping of dogs
Public libraries
Waste management
Childcare services
Public amenities
Advertising signs
Nuisance
Refuse removal
Street trading
Funeral undertakers
Cemetery
T 2.9.1

COMMENT ON BY-LAWS
<p>All legal requirements and processes were followed in the promulgation of these municipal by-laws. Copies of these By-laws are available on (???) and they have been posted to the municipality's (website??). Members of the public are urged to observe these by-laws and to report promptly any act that seeks to undermine them.</p> <p>NB: No new By-Laws were introduced during the 2013/2014 financial year</p>
T 2.9.1.1

2.10 WEBSITES

Municipal Website Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	Wsc - July 2012
All current budget-related policies		Wsc - January 2013
The previous annual report (Year 2013)	Yes	July 2012
The annual report (Year 2014) published/to be published	Yes	September 2014
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2014) and resulting scorecards	Yes	July 2014
All service delivery agreements (Year 2014) All long-term borrowing contracts (Year 2014)	Yes	Wsc - May 2013
All supply chain management contracts above a prescribed value (give value) for Year 2014	Yes	Monthly
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	None	N/A
Contracts agreed in Year 2014 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	None	N/A
Public-private partnership agreements referred to in section 120 made in Year 2014	None	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2014	Yes	Wsc - February 2013
T 2.10.1		

Wsc : Website construction

COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS

The municipality tries by all means to make its website user-friendly and to improve the quality of its content. Members of the public are encouraged to visit the website and to give feedback regarding their experience while using the website.

Reported problems regarding accessing to our website are currently being addressed. The revamping of the website is currently underway and we are planning to deliver an improved, intuitive and easily accessible website at the end of this process.

T 2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

Public satisfactory survey was not conducted during 2013/2014 financial year.

T 2.11.1 – T 2.11.2.2

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE REPORT PART I

INTRODUCTION

The municipality's service delivery mechanism is anchored on the IDP which is developed annually with the participation of the entire community. Community service delivery needs as outlined in the IDP inform the allocation of the financial resources and are outlined in the annual budget. These two inter-related planning processes are then harmonized in the Service Delivery and Budget Implementation Plan, which outlines the timeframes and extent of project delivery. Once the annual service delivery plans have been finalised, they are then allocated systematically to individual manager's performance agreement, which is monitored periodically. The entire service delivery path finds its translation in the procurement of goods and services and, to ensure that this is done in the most efficient and effective manner, a procurement plan is developed annually.

In 2013 the Council had as part of its long-term planning adopted an organogram that spells out the structure and positions that are available within the municipality. At the end of the financial year we had a vacancy rate of 46% and a staff turnover of 10%. Remarkable departure for the year was the resignation of the Municipal Manager who had been with the municipality for over 8 years. The position of a municipal manager was subsequently filled in October 2014 with an experienced Mr. MN Mabaso, who has vast public administration knowledge at both local and provincial administration levels.

The development of Environmental Management Framework we reported on in the previous year is nearing completion and we hope once approved it will assist in speeding-up the processing and approval of the affected development applications. A total of 12 development applications, 27 building plans and 4 land use changes applications were approved during the year.

Amongst many environmental improvement goals for the municipality, the major ones are the establishment of refuse disposal facilities and extension of refuse removal services to all areas.

T 3.0.1

COMPONENT A: BASIC SERVICES

INTRODUCTION

The municipality regards access to quality and reliable basic services and infrastructure as major drivers and indicators of its community development. For these reasons, the municipality always seeks ways and means to improve access of its poorest households to services such as electricity connection, water supply, sewage and solid waste disposal systems and so on. We are aware that apart from reducing the quality of life of the community, the absence of basic services makes communities, especially those living in informal settlements, particularly vulnerable to disease. In cases where services are catered for by different entity the municipality acts as an advocator for the community using forums such as Intergovernmental Forum, Operations Sukuma Sakhe.

The total staff complement is as follows:

General Manager: Technical Services	1
Manager: Project Management Unit	1
Manager: Infrastructure Maintenance	0
Manager: Building Compliance	1
Admin Officer	1
Supervisor	4
Team Leader	1
Driver	2
Tractor Driver	3
General Assistant	70
TOTAL	87

Vacant position of maintenance manager was filled subsequent to year end.

Engineering Services, Civils and Projects

The provision of engineering services by the Department to the municipality is achieved by the HoD and the Manager: PMU supported, as required from time to time, by specialist consultants retained for specific projects. These specialists include electrical consultants, architects, quantity surveyors, civil engineers, geotechnologists, etc.

T 3.1.0

INTRODUCTION TO BASIC SERVICE

3.1. WATER AND SANITATION PROVISION

INTRODUCTION TO WATER PROVISION

Provision of water and sanitation to consumers throughout the municipal area is carried out directly and exclusively by uMgungundlovu District Municipality. 2011 statistics indicate that access to proper sanitation infrastructure is very low in the municipality, with only 21% of households having access to a flush toilet.

Water is life. Our municipality consists largely of agricultural land. Our sugar fields and stock would not survive without a regular and reliable supply of this precious commodity. Water supply needs for our community are largely catered for using local rivers, streams, boreholes and temporal storage such as water tanks. This is despite the municipality having two dams that supply water to more developed areas such as Ethekeini Metro. Our district municipality together with uMgeni and the Department the Water Affairs and Forestry are, however, working hard to improve water supply within our area.

T 3.1.1

Water Service Delivery Levels

	Agriculture	Forestry	Industrial	Domestic	
2013					
2014					

T 3.1.2

T 3.1.2.1

COMMENT ON WATER USE BY SECTOR

T 3.1.2.2

Water Service Delivery Levels	
Description	Households 2011
Water	
Piped water inside dwelling	6 343
Piped water inside yard	11 452
Use of communal tap within 200m from dwelling	3 500
Use of communal tap between 200m to 500m from dwelling	761
Use of communal tap between 500m to 1km from dwelling	403
Use of communal more 1km from dwelling	93
No access to piped water	5 566
T 3.1.3	

Source: Statistics SA Census 2011

According to 2011 census, uMshwathi Municipality has 28 124 households. Only 22.6% households have access to water inside their dwellings and a further 50% have access to water inside their yards. Water provided to community using standpipes accounts for 16%. The main municipality concern is for the community that still has to walk a distance of more than 200 meters to get to the water sources.

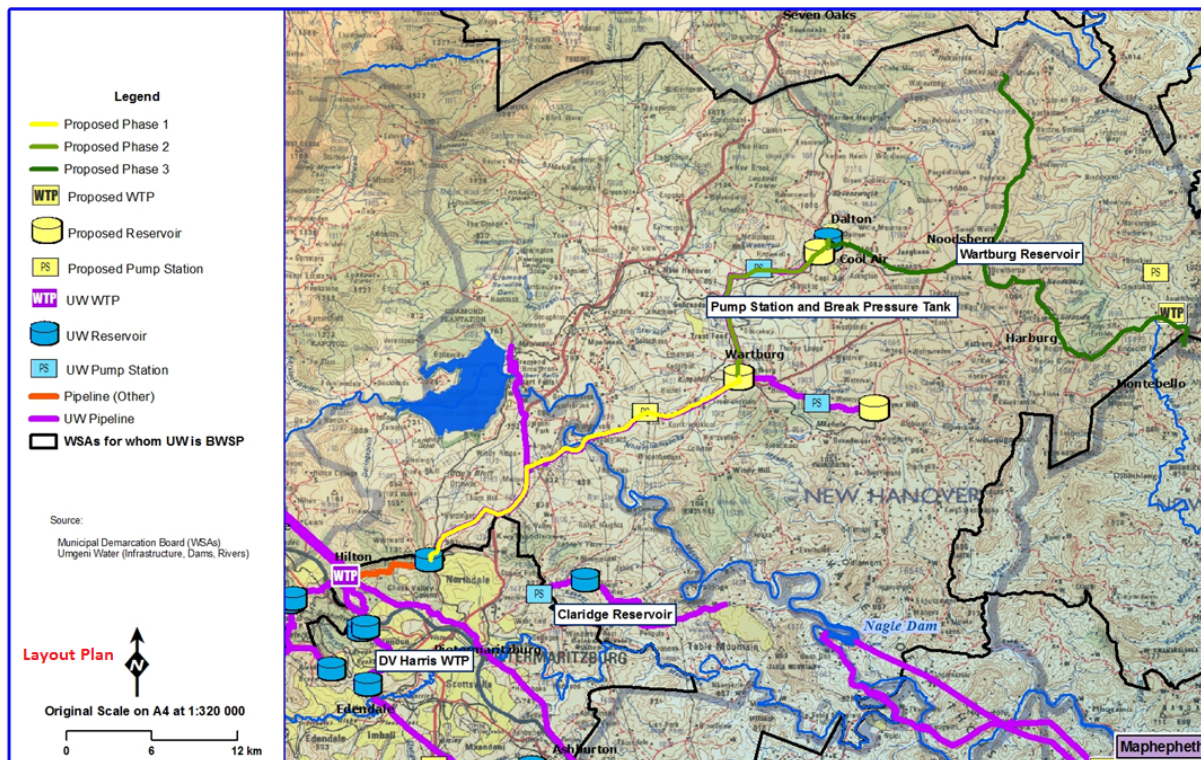
Water Needs And Priorities

Existing Infrastructure

The Municipality is currently experiencing a shortage of portable water in both rural and the urban areas. The existing infrastructure needs to be upgraded to improve the supply of water to these areas. The backlog ranges from no supply to intermittent water supply due to infrastructure constrains.

uMgungundlovu District Municipality together with the Department of Water Affairs and uMngeni

Water have planned a bulk pipeline upgrade that will cost approximately R1 Billion. The name of the project is **uMshwathi Regional Bulk Water Supply**. The first phase of the project has started and is expected to be completed before June 2016.



This is a regional scheme to supply bulk potable water to all communities within the uMshwathi Local Municipality of uMgungundlovu District Municipality. The Scheme has been divided into the following three phases as shown on the map above:

- **Phase 1:** entails the construction of a 27km long pipeline from Claridge Reservoir to Wartburg Reservoir, including a booster pump station, and a 8MI reservoir at Wartburg.
- **Phase 1 A:** A new 450mm diameter pipeline from Wartburg to Bruyns Hill with a pump station at Wartburg to meet the future demands of Swayimane and Southern Ndwedwe (Ilembe Municipality).
- **Phase 2:** entails the construction of a 15.2km long pipeline from Wartburg Reservoir to Dalton Reservoir, a booster pump station, and a 10 MI reservoir at Dalton.
- **Phase 3:** entails the construction of a 21.7km long pipeline from Dalton to an existing reservoir at Ozwathini, including a booster pump station. There will also be a 14.5km long pipeline branching off at Fawn Leas to an existing reservoir at Nadi Mvoti including a booster pump station.

The progress to date on the project is as follows:

Phase 1

- Pipe supply contract is complete
- Pipe laying contract has been awarded. Expected completion date is June 2016
- Pump station & Reservoir contracts currently being prepared. Anticipated construction completion date is November 2016

Phase 2

- Detailed design about 100% complete and construction tender (pipeline & pumpstation) advertised.
- Anticipated construction completion date is December 2017

Phase 3

- Detailed design approximately 50% complete (pipeline & pumpstation). Reservoir at Ozwathini may get added to the scope.
- Power supply tender to be advertised
- Anticipated construction completion date is June 2018

Rural Infrastructure

The 5 566 household that have been identified as not having access to piped water are in rural areas. These households will only be able to have access to water once the later stages of the above mentioned bulk water pipeline is complete. Until such time the District Municipality will have to continue supplying these communities with water from water tankers.

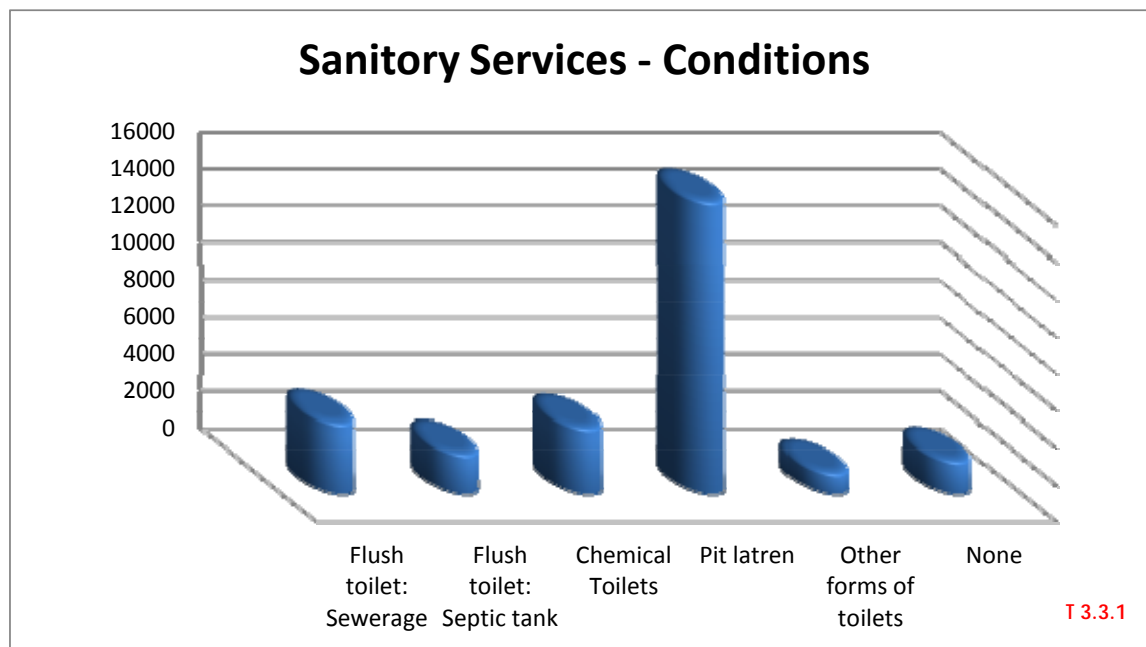
The District Municipality is improving and strengthening the existing water networks within the rural areas in preparation for the completion of the uMshwathi Regional Bulk Water. Various projects are being implemented to complement the new bulk pipeline. Detailed tables of projects that are currently in the design phase or implementation phase are attached below. Also indicated is the budget for phase two of the regional bulk pipeline, which is essential to ensuring that the rural communities have access to water.

The areas that have been targeted include the greater Efaye area which is currently only supplied with water from boreholes which have proved to be highly unreliable. An amount of R10 million has been allocated to Mbava and Mpethu which is located in ward 6 of the Municipality; and a significant allocation of approximately R 54 million has been made to the Lindokuhle / Mpolweni Water Supply which is located in ward 10 of the Municipality.

Water Supply Projects Currently in the Design/Implementation			
Project Title	Budget	Expenditure to date	Project Balance
Greater Efaye Water Planning Phase	1 350 000	1 224 400	125 600
Mbhava and Mpethu Water Supply Project	10 163 099	2 577 762	7,585 336
uMshwathi Regional Bulk Water Supply Scheme (Planning Phase)	5 397 090	3 903 900	1 493 190
Lindokuhle / Mpolweni Water Supply (AFA) MIS 213170	54 595 264	2 523 912	52 071 351
Totals	71 505 453	10 229 975	61 275 477
Water Supply Projects in the Planning Phase			
uMshwathi Regional Bulk Water Supply Scheme AFA	316 232 814	-	316 232 814
Totals	316 232 814	-	316 232 814

T 3.1.4

3.2 WASTE WATER (SANITATION) PROVISION



Sources: Statistics SA Census 2011

The uMshwathi Municipality is currently using the information from the 2011 census to determine the backlogs related to sanitation, as it is the only verified and most recent information that is available to the Municipality currently.

Water Service Delivery Levels	
Description	Households 2011
Sanitation/sewerage : (above minimum level)	
Flush toilets connected to sewerage	3 797
Flush toilets connected to septic tank	2 161
Chemical toilets	3 559
Pit latrine	15 713
Sanitation/sewerage : (above minimum level)	
Other forms of toilets	1 133
No toilet provision	1 783
T 3.3.3	

Sanitation Projects Currently in the Design/Implementation			
Project Title	Budget	Expenditure to date	Project Balance
Mpolweni Sanitation	13 413 018	10 059 369	3 353 648
Swayimane VIP Sanitation Ward 11	5 307 068	4 905 570	401 497
Totals	18 720 086	14 964 939	3 755 146
Water Supply Projects in the Planning Phase			
Project Title	Budget	Expenditure to date	Project Balance
Swayimane Ward 11 Sanitation AFA	7,005,502.78	-	7,005,502.78
Totals	7,005,502.78	-	7,005,502.78

The function of sanitation is currently the legislated function of the uMgungundlovu District Municipality. The co-ordination of the function of water and sanitation is managed at a District level with both the water and the sanitation departments residing within the District as part of their legislative functions. The role of uMshwathi Municipality is to provide input into the IDP process and to provide feedback and oversight of the function of water and sanitation.

The District Municipality is currently implementing two projects with the Municipality. The first project is in the Mpolweni area and has a project budget of R13,4 million and is located in ward 10 of the municipality. The second project that is being implemented is in ward 11 of the Municipality and has a budget of R 5,3 million. The projects involve the construction of concrete precast ventilated pit latrines (VIP) which is done in conjunction with the communities in each of the wards. The state of sanitation in the Municipality has improved significantly in the recent years and the District municipality is making progress towards to eradication of the backlogs of sanitation.

Sanitation Needs and Priorities

The bulk of the toilets in the municipality are either VIP toilets or of a similar nature with only 5 956 toilets being flush toilets. The toilets without ventilation will have to be converted to formal structures. The total quantity of households without sanitation that still required to be constructed is 6814.

T 3.2.1

3.3 ELECTRICITY

Provision of electricity to consumers throughout the municipal area is carried out directly and exclusively by Eskom. The role of this Department is that of oversight on the service provider and of monitoring the quality and adequacy of service provision. Intervention is made with regard to problems being experienced by consumers.

The operation and maintenance of the installed street lighting systems is carried out by Eskom in terms of contracts with uMshwathi Municipality, under the control of this Department.

Energy Sector Plan

The Municipality is in the process of developing a Electricity Master Plan. The municipality has appointed service providers to assist the municipality with the following:

- Source funding for the master plan from CoGTA
- Determine the number of un-serviced households in the municipality
- Develop an Electrification Master Plan for uMshwathi Municipality
- Use the Master Plan to source funding for projects identified in the master plan
- Implement projects on a turnkey basis using funding that has been sourced.

The master plan was expected to be completed by December 2014.

Status of Electricity Supply

The electricity supply in the uMshwathi Municipality has been of concern to the Municipality for many years and the Municipality has had several engagements with Eskom on the matter since there is insufficient capacity in the electricity network to be able to provide additional electricity connections to the area. Eskom has promised the Municipality that the infrastructure in the area will be upgraded, however, to date no improvements have been made to the network due to funding constraints.

The Municipality, having run out of options, has sourced funding from the Department of Energy to implement an electrification projects in the area. No new electrification projects can be undertaken in certain areas until Eskom has upgraded its network.

Electricity Backlogs

The electricity backlog is approximately 15 605 households.

ESTIMATED ELECTRICITY BACKLOGS			
Ward	No of Connection	Ward	No of Connection
1	1 215	8	1 750
2	100	9	3 500
3	4 400	10	370
4	1 860	11	220
5	240	12	350
6	500	13	200
7	900		
Total	9 215	Total	6 390

Electricity Needs and Priorities

The needs and the priorities currently revolve around Eskom upgrading their bulk infrastructure. If they fail to improve the bulk infrastructure the chances of the communities receiving household connections and the potential for economic development are extremely poor.

The map below shows the potential on the Eskom network for new connections:

- Immediate Connections – Grid Connections (1185 Households)
- 1 Year – Grid Connections: 2745 (Upgrades to MV Networks)
- 5 Year Plan – Grid Connections: 5890
- 5 Year Plan – Enable Grid Connections (Substation Establishment)

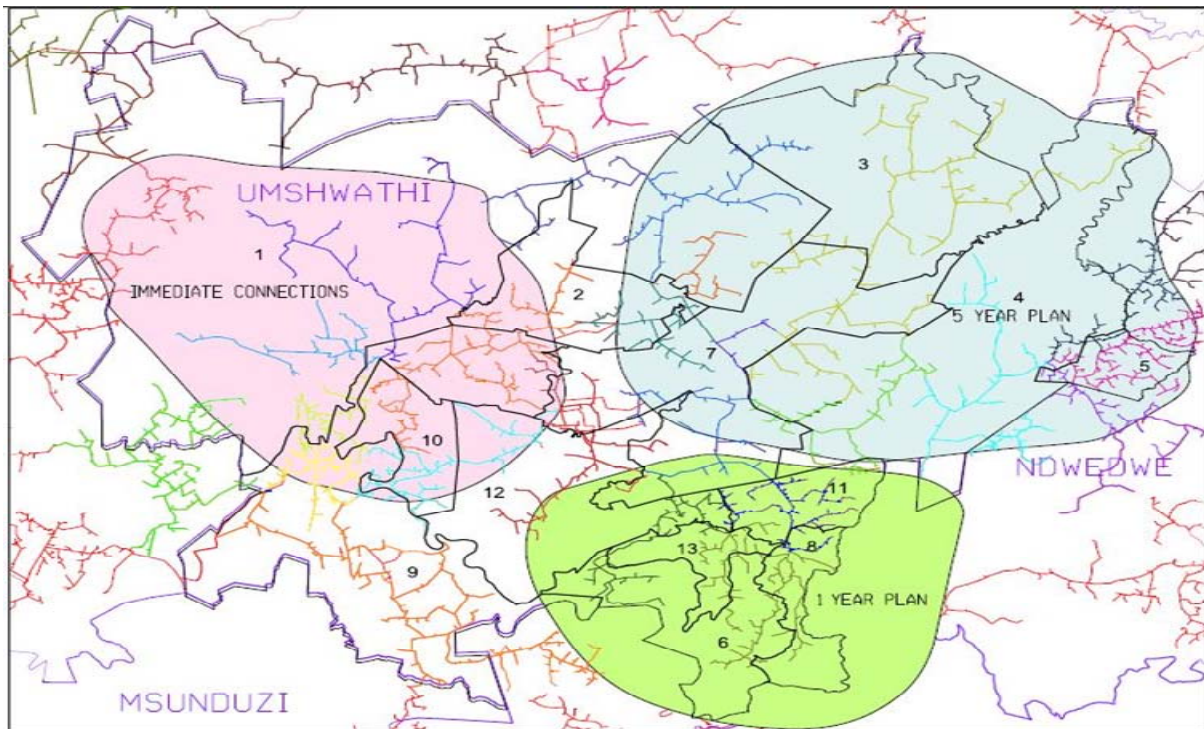
The potential delay in the delivery of electricity connections is most concerning to the municipality; however this has to be viewed in light of the electricity challenges that is facing the entire country. Interactions with the Department of Energy has revealed that there is funding available for non-grid electricity and the municipality is currently investigating this form of electricity to cater for the 5 890 households that will only get electricity in five years.

The non-grid electricity suggested by Eskom will consist of the following components:

- A solar panel

- A controller to charge the battery
- Battery

Eskom Possible Load Area Availability



Eskom Possible Load Area Availability Schedule

T 3.3.1

Building Control

This section is headed by a Manager: Building Control. The accountability for the function of Building Control is vested in the Department of Technical Services. The function is carried out in terms of the applicable legislation, known as the National Building Regulations and Building Standards Act 103 of 1977.

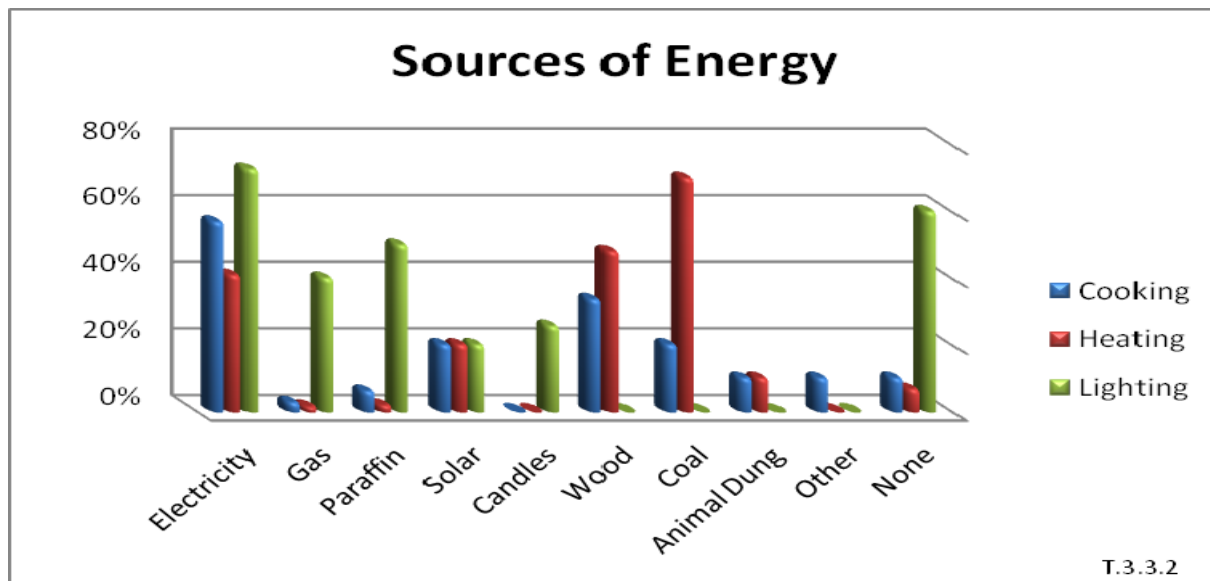
Environmental Management

The municipality's environmental management includes control of vegetation on municipal property, sidewalks, verges, parks, sports fields and in other areas. The function is carried-out internally. To manage the function properly the municipal area is divided into urban and rural areas, each area falls under the control of a Supervisor. The exceptions to this are the areas of Albert Falls/ Cramond and New Hanover, where this function is outsourced .

It frequently happens that additional burdens are placed upon the resources of the Department in terms of additional work demanded or requested, such as cutting of school sports fields, etc.

MAINTENANCE

Due to limited resources of the municipality a hybrid system of both internal and external service providers is used to maintain the municipality assets



Electricity Service Delivery Levels

Household Energy source

Energy Source Description	Cooking	Heating	Lighting
Electricity	57%	41%	73%
Gas	3%	2%	40%
Paraffin	6%	2%	50%
Solar	20%	20%	20%
Candles	0%	0%	26%
Wood	34%	48%	0%
Coal	20%	70%	0%
Animal Dung	10%	10%	0%
Other	10%	0%	0%
None	10%	7%	60%

T 3.2.3

3.4 SOLID WASTE MANAGEMENT

Solid Waste Service delivery levels			
Description	2011	2012	2013
Total households	3 390	3 450	3 500
Removed at least once a week	14.7%	14.9%	15.2%

Solid Waste Backlog

The uMshwathi Municipality currently provides a refuse collection service to 3730 households, which is an increase of 230 households from the previous financial year. The total number of households in the Municipality still in need of the refuse collection service is 20 002. The Municipality has one of the highest rural components in the District with rural households constituting approximately 81% of the total number of households in uMshwathi Municipality. The refuse collection service is currently only offered in the urban areas of the municipality where the cost of the refuse collection is more feasible due to the clustered nature of the developments.

The Municipality has been allocated 15 staff members, working for waste EPWP. These staff members are based in the towns and are assisting in reducing the problem of litter in the towns.

Solid Waste Needs and Priorities

The collection of refuse is currently undertaken using a refuse compactor and a team of eight staff. Prior to the establishment of the refuse collection team, the Municipality outsourced the service. The establishment of an in-house refuse collection unit has allowed the Municipality to have greater control over the efficiency and effectiveness of the service.

Extending service delivery to rural areas is still a challenge. However, the municipality is currently investigating the feasibility of providing at least a bi-monthly service to more densely populated but un-serviced areas such as Mpolweni , Appelsbosch, Swayimane and Efaye .

Waste Minimization

Pilot kerbside collection projects for recyclable materials are needed in denser, urbanized areas like New Hanover and Wartburg. The quality of the materials that can come out of these areas are worthwhile and the municipality can look at initiating recycling projects. Incentives and mechanisms are needed to promote separation at source in households.

Garden Waste Disposal

The general domestic component of waste is taken by the Municipality to the New England Road Landfill site in Msunduzi Municipality. However, there are problems with the disposal of green waste. There is no site for the disposal or storage of the waste, which means that it more often than not ends up being dumped in informal dumpsites. An establishment of a garden waste site in each of the major town will have to be identified and prioritised.

The uMshwathi Municipality has, however, developed an interim mechanism to address the situation and will be rolling out refuse skips to the towns of Dalton, Cool Air, Wartburg and New Hanover. The skips will serve a dual purpose in that it will address the green waste needs of the community as well as the needs of the local farming community who have been requesting a refuse collection service at a central point in each town.

Integrated Waste Management Plan

An Integrated Waste Management Plan was developed for the municipality in conjunction with the uMgungundlovu District Municipality. This Integrated Waste Management Plan for uMshwathi Local Municipality is based on a review of the current situation in the area and includes a gaps and needs assessment which informs the consideration of possible alternatives for future waste management systems. The objective was to find solutions based on the best waste management practices whilst also placing a strong emphasis on waste reduction, recycling and reuse initiatives in line with the current shifts in the regulatory framework at both national and provincial levels.

Landfill Site

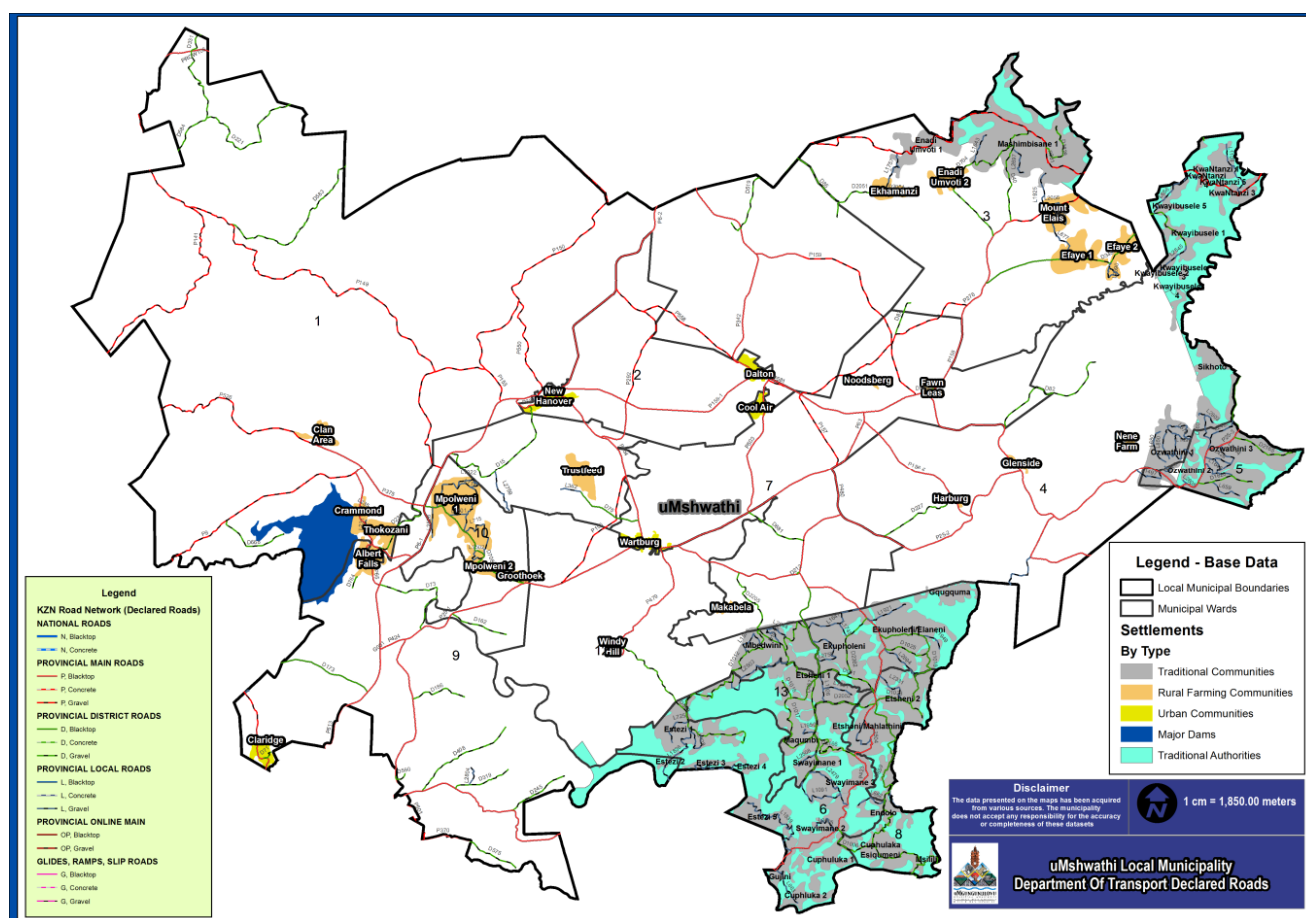
The uMshwathi Municipality does not have a landfill site and transports all the waste that is generated within its area to the New England Road in the land landfill site. The uMgungundlovu District Municipality is at an advanced stage of the process of identifying a regional landfill site that will cater for all the municipalities in the District.

The process to find a new general waste landfill site started in 2008 given that the New England Road landfill site is expected to reach end of life by 2020. After many mapping processes, a site located within the uMshwathi LM emerged from an environmental and logistical point of view to be the most suitable. The landowners are also willing to sell and the site could also be developed to contain a hazardous landfill site which will attract industry to the area. The current situation involves negotiating land purchase price with the landowners, which was expected to be completed by the end of 2014, thereafter a two to three year EIA process which will be followed by a two year construction period.

3.5 ROAD AND RAIL TRANSPORT INFRASTRUCTURE

Within the boundaries of the municipality, the Department of Transport is responsible for the following types of roads:

- National Roads
- Provincial Main Roads
- Provincial District Roads
- Provincial Local Roads

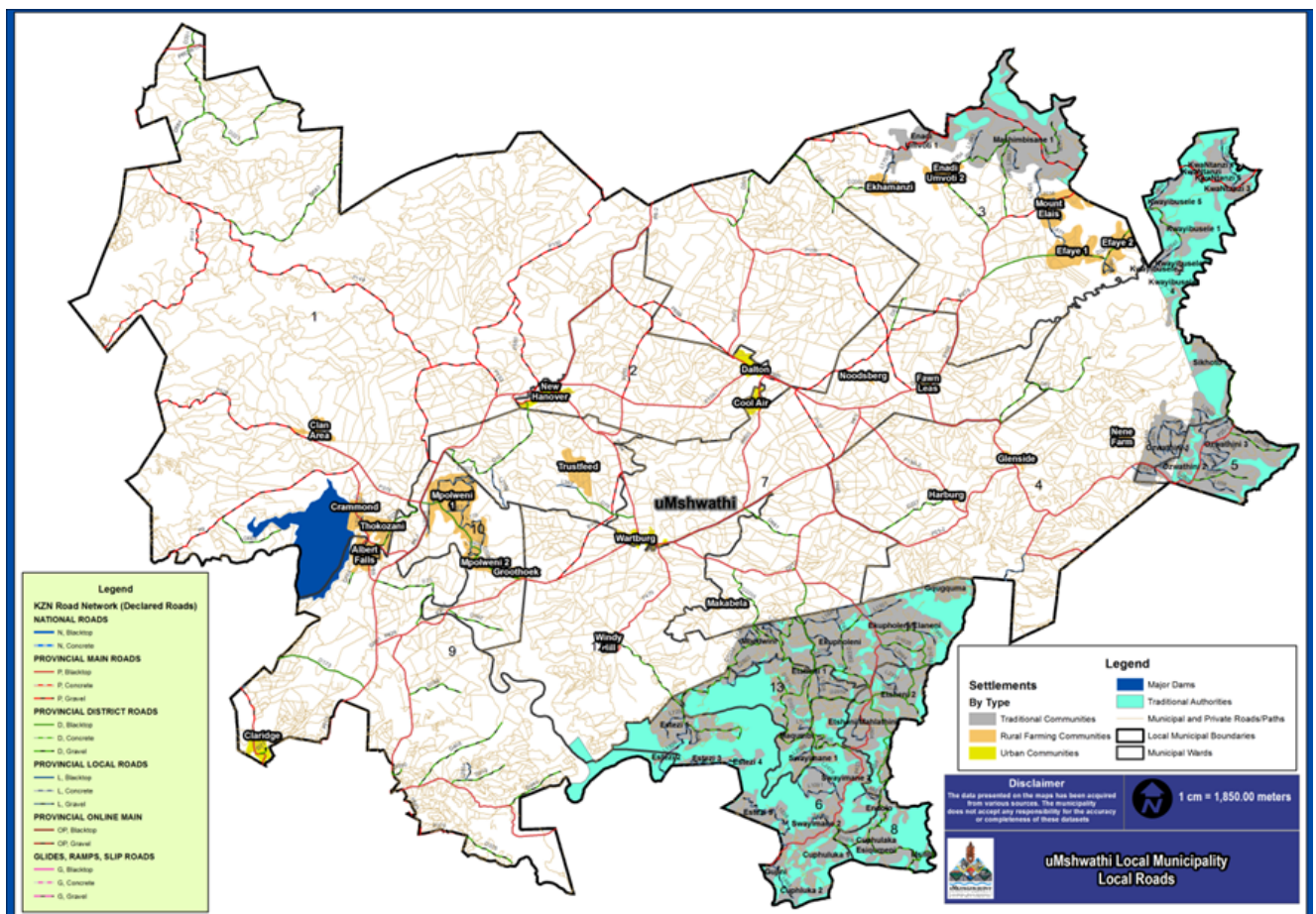


Department of Transport Declared Roads

The Municipality is unique in that the main roads that run through the towns of Dalton, New Hanover and Wartburg belong to the Department of Transport. This road network forms the

backbone of the local economy. The Municipality has to work closely with the Department to ensure that repairs and maintenance are undertaken on these roads and that permission is granted to new businesses in the CBD wanting to get access to these roads.

The local road network as shown on the attached map is extensive and the municipality is working closely with the District Municipality to identify and map all of the roads with the boundaries of the municipality, thereby allowing for better planning and maintenance of roads.



uMshwathi Municipality Local Roads

Municipal Roads Maintenance Plan

The maintenance plan addresses both the paved and unpaved roads. The maintenance of roads is an important aspect in ensuring the optimal performance of the road. Inadequate drainage of a road will result in the ponding and the erosion of the wearing course of the gravel road. Paved roads without proper drainage are easily damaged by the infiltration of water. Other

factors that have an effect on the maintenance will be the quantity of rain and volumes of traffic that a road experience. This results in potholes and uneven riding surfaces.

A maintenance plan is being developed which aims to address both the unpaved and the paved roads. The gravel roads will be systematically graveled and the paved roads resurfaced before they reach the end of their lifespan. The plan also targets the routine maintenance such as repairing of potholes, cleaning of stormwater drains, etc.

Roads Projects in Implementation 2013/2014			Roads Projects Planned for Implementation 2014/2015		
Project Title	Ward	Budget	Project Title	Ward	Budget
Dalton/New Hanover Roads & Stormwater	2	2,500,000	Tarring of Thokozane Road	1	4,000,000
Okhalweni Road	4	1,500,000	Upgrade of Upper Main Road	9	3,500,000
Upgrade of Coolair & Wartburg Roads	7	3,000,000	Tarring of D708	10	4,000,000
Cool Air Housing: Bus Route	7	4,900,000	Gravelling of Access Roads	11	2,000,000
Concrete Road on D1012	12	3,000,000			
Tarring of Ndlaveleni Road	13	3,000,000			
Totals		17,900,000	Totals		13,500,000
Roads Maintenance 2013/2014			Roads Maintenance 2014/2015		
Project Title	Ward	Budget	Project Title	Ward	Budget
Roads maintenance	All Wards	4,000,000	Roads maintenance	All Wards	6,000,000
Plant	All Wards	50,000	Grader	All Wards	1,500,000
			Plant	All Wards	200,000
Totals	-	4,050,000	Totals	-	7,700,000

The table above provides a list of the projects being implemented in the 2013/2014 and those planned for the 2014/2015 financial year and the budgets that are associated with these projects. The projects that were implemented varied from maintenance projects to new roads. The new roads consisted of new asphalt, new gravel roads and rehabilitation of the existing roads. These projects were undertaken under the capital project budget. The budget that was allocated to the roads maintenance vote was used in the maintenance of the gravel roads and the repair of potholes in the urban areas.

The 2014/2015 capital budget will be used to implement the projects as detailed below. The emphasis in the financial year being on the construction of the Thokozane Road, upgrade of Upper Main Road, tarring of the D 708 Roads and the Construction of Access Roads in Ward 11. The maintenance budget makes provision for R 6 million for roads maintenance which will be used to maintain the gravel roads, fix potholes and maintain storm water facilities.

A budget has been made for the purchase of a grader for the repair of rural roads. This grader will be the first piece of plant purchased by the Municipality with the aim of creating a roads maintenance team. Additional plant and equipment will be purchased in subsequent financial years.

Roads Projects in Implementation 2013/2014			
Project Title	Wards	Description of Project	Status as at May 2014
Dalton/New Hanover Roads & Stormwater	2	Construction of stormwater drains and re-surfacing of asphalt roads	Complete
Okhalweni Road	4	Construction of a gravel road	In implementation
Upgrade of Coolair & Wartburg Roads	7	surfacing of asphalt roads	Complete
Cool Air Housing: Bus Route	7	Construction of a asphalt road	In implementation
Concrete Road on D1012	12	Construction of a asphalt road	In design phase
Construction of Ndlaveleni Road	13	Construction of a asphalt road	In implementation
Roads Projects in Implementation 2014/2015			
Project Title		Description of Project	Status as at May 2014
Tarring of Thokozane Road	1	Construction of a asphalt road	In design phase
Upgrade of Upper Main Road	9	Construction of a asphalt road	In design phase
Tarring of D708	10	Construction of a asphalt road	In design phase
Gravelling of Access Roads	11	Construction of a gravel road	In design phase

Taxi Ranks

There are five formal taxi ranks in the Municipality, namely:

Dalton Taxi Rank	This is a private taxi rank with toilet facilities that have recently been upgraded for the public. The taxi rank is located close to a retail facility and consists of asphalted parking areas and covered parking bays for the taxis.
Wartburg Taxi Rank	This is a municipal owned taxi rank with toilet facilities for the public. The taxi rank is located close to a retail facilities in the Wartburg CBD and consists of asphalted parking areas and covered parking bays for the taxis. The facility also has an office for the taxi association.
New Hanover Taxi	This is a municipal owned taxi rank with toilet facilities that have recently been upgraded for the public. The taxi rank is located close to the recently constructed Thusong centre and consists of asphalted parking areas and covered parking bays for the taxis. The facility also has an office for the taxi association.
Appelsbosch Taxi	This is a municipal owned taxi rank with VIP toilet facilities for the public. The taxi rank is located close to the market stalls and consists of asphalted parking areas and covered parking bays for the taxis. The facility also has an office for the taxi association.
Swayimane Rank	This is a municipal owned taxi rank with VIP toilet facilities for the public. The taxi rank is located close to the market stalls and consists of asphalted parking areas and covered parking bays for the taxis.

Railway Line

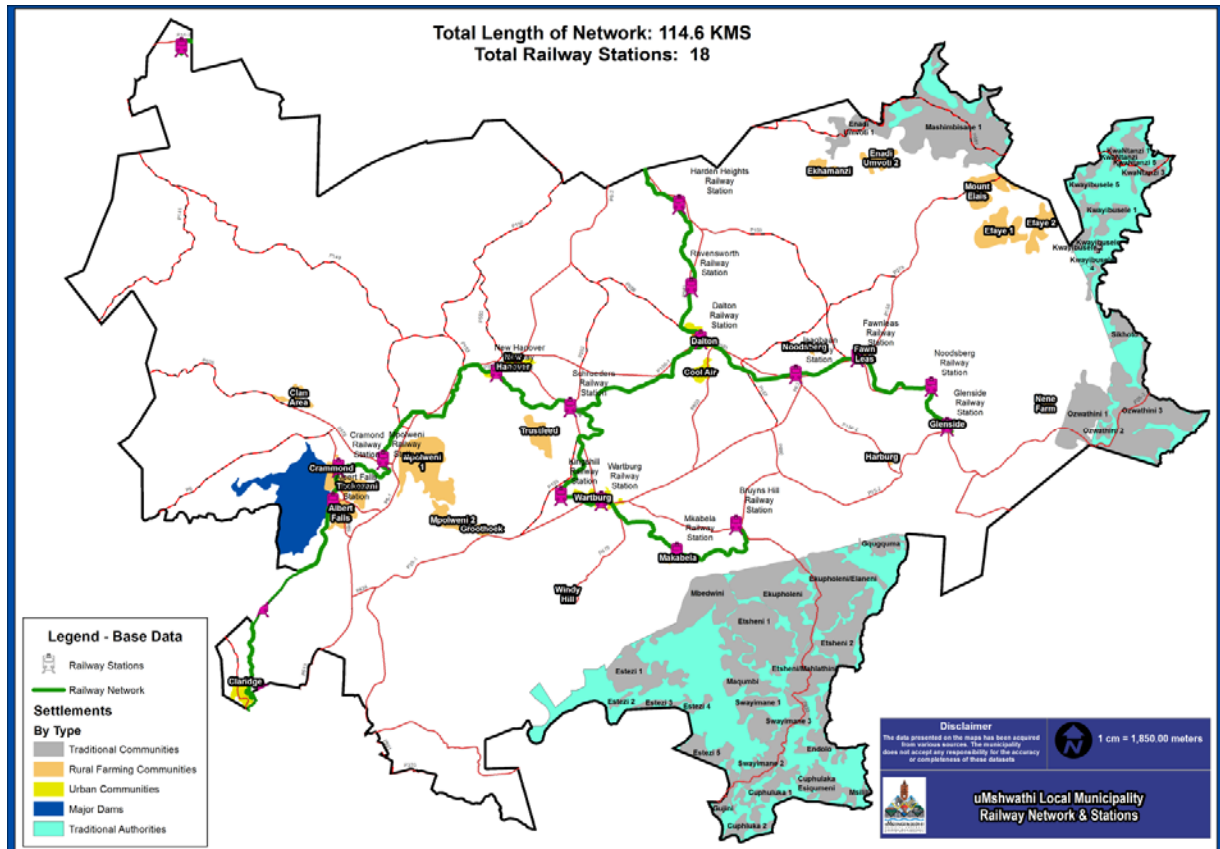
The railway line in uMshwathi Municipality has been used to transport goods, equipment and agricultural produce around and away from the Municipality to locations where they are required in a safe, efficient and economical way. Transnet Freight Rail is the custodian of the entire rail network in uMshwathi Municipality.

The total length of rail network in the Municipality is 114kms and this consists of main line and branch lines. There are a total of eighteen railway stations in the boundaries of the Municipality

No.	Railway Station	No.	Railway Station
1	Haden Heights Railway Station	10	Mkabela Railway Station
2	Ravensworth Railway Station	11	Bruinshill Railway Station
3	New Hanover Railway Station	12	Noodsberg Railway Station
4	Dalton Railway Station	13	Fawnleas Railway Station
5	Crammond Railway Station	14	Glenside Railway Station
6	Mpolweni Railway Station	15	Schroeders Railway Station
7	Albert Falls Railway Station	16	Jaagbaan Railway Station
8	Wartburg Railway Station	17	Railway Station(No Name)
9	Kingshill Railway Station	18	Railway Station(No Name)

The use of the rail network has seen a serious decline in recent years. The regular customers have chosen to transport their goods via the road network due to the declining service that has been provided by Transnet. Transnet Freight Rail is currently funding no capital infrastructure in the Municipality and only spending approximately R 3 500 000 on maintenance of the existing infrastructure.

The main railway line for the uMshwathi Municipality is between Pietermaritzburg, Mpolweni, New Hanover and Greytown. The cargo that is ferried on these lines mainly consists of sugar cane, timber, fuel and containers.



3.6 HUMAN SETTLEMENT

INTRODUCTION TO HUMAN SETTLEMENT

The municipality is at the outer edge of KwaZulu-Natal Provincial Capital and the demand for informal settlements is growing very rapidly compared to distant rural areas. This puts even more pressure investing in infrastructure in order to accommodate this growth in demand for housing. The high level of demand can be attributed to backlog as well as in new applications for houses. In most areas where there is high demand for houses, only a basic level of road and water supply infrastructure exists. This means a housing development has to be preceded by infrastructure layout.

The role out of housing project is mainly dependent on the availability of funds and the completion of formal housing project, which can be quite long and very tedious. Because of the municipality's limited capacity in terms of personnel this task is undertaken with the assistance of the Department of Human Settlement. To deliver housing with capacity constraints, Implementing Agents (IA) are appointed on a tripartite agreement consisting of the IA themselves, the Department of Human Settlement and the Municipality.

T 3.5.1

Percentage of households with access to basic housing			
Year end	Total households (Including informal and formal settlements)	Households informal settlements	Percentage of households in formal settlements
1996	23 452	9 727	41.5%
2001	23 831	12 559	52.7%
2011	28 124	17 637	62.7%
T 3.5.2			

In line with our IDP, the housing projects listed below were delivered during the reporting period.

Ward	Project Name	Project Area	Project Type	No. of Units	Status
1.	Swayimana Rural Housing Project.	Swayimana	Low income Housing	500	491 completed
2.	Mhlangandlovu Rural Housing Project	Mhlangandlovu	Low income Housing	420	420 completed
3.	Appelsbosch Rural Housing Project	Mathulini (Appelsbosch).	Low income Housing	500	441 completed
4.	Masihambisane Rural Housing Project	Masihambisane	Low income Housing	377	IA. has been appointed for construction.
5.	Dalton/Cool Air Housing Project	Dalton	Low income Housing	439	Tranche 2 in progress
6.	Efaye Rural Housing Project.	Efaye	Low income Housing	500	Stage One. Land Issue being addressed
7.	uMshwathi Slums Clearance Housing Project	Trustfeed.	Low income Housing	3000	Heading for Tranche two PDA application approved .
8.	Inadi Rural Housing Project.	Inadi.	Low income Housing	500	Land Issue is being addressed
9.	Thokozani Housing Project.	Thokozane Township	Low income Housing	906	Awaiting for response from NHBRC & DoHS.
10.	Trustfeed Housing Project.	Trustfeed	Low income Housing	1 000	Land being addressed with owners
11.	Mpolweni Housing Project.	Mpolweni Mission.	Low income Housing	1 081	DR& LR in progress with Land Acquisition
12.	Windyhill	Ward 12	Low income Housing	50	The municipality is attending to this housing challenge
T 3.5.3					

PROJECT THAT ARE IN THE PIPELINE

The need for housing shown below was identified during the housing sector plan development.

Ward:	Project Name	Number of New Housing Units	Project Status
1	Nkayishane/Sappi Villagers	40	Land owner is Sappi. Problem with regard to land claim versus the exit packages by the employer. Intervention by DRDLR in progress.
2	Ravensthorpe	238	Ownership is Mondi Forests. Discussion are on progress with the following stakeholders: DRDLR, DOHS, Community, the Municipality and the land owners. Discussions are based on relocating these people due to unsafe conditions people reside within.
4	Mhlangandlovu & Mathulini	424	Application for phase 2 to be submitted to DOHS during 2014/ 2015 , financial year.
5	Mathulini	971	Applications have been submitted to DoHS for consideration.
6	Swayimane	831	Applications have been submitted to DoHS for consideration.
8	Swayimane	700	Application for Phase 2 to be submitted to DOHS , during 2014/ 2015 financial year.
11	Swayimane	1128	Application for Phase 2 to be submitted to DOHS during 2014/ 2015 financial year.
12	Swayimane	864	Applications have been submitted to DoHS for consideration.
12	Windy hill	50 existing houses	Land Issue is being at Council.
13	Swayimane	868	Applications have been submitted to DoHS for consideration.

An interest in subsidized rental housing units for middle income earners has also been received. Total number of applications received is 132.

Number of employees within Human Settlement Unit					
Job level	2011/2012	2012/2013			
	Employees	Post No.	Employees	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts)
	No.	No.	No.		
Housing Manager	1	1	1	0	0%
Housing officer	1	2	1	1	50%
T 3.5.4					

During the financial year, the municipality successfully developed a Housing Sector Plan. This document provides a strategic focus on the housing needs of the area in support of the IDP. The housing sector plan will, among other things, assist the municipality to do the following:

- To ensure effective allocation of limited resources, particularly financial and human, to competing potential development.
- To provide a formal and practical method of prioritizing housing projects and obtaining political consensus for the sequencing of their implementation.
- To facilitate great spatial linkage between the Spatial Development Framework (SDF) and physical implementation of projects on the ground.
- To deliberately place the housing sector imperative in the IDP.
- To ensure effective subsidy budgeting and cash-flows both at Municipality and Provincial levels.

The municipality has identified the following challenges and gaps relating to housing:

- Land Ownership remains a major stumbling block to housing service delivery. The land that are ear-marked for land development does not belong to the municipality and the process of getting approval in these areas is very long due to legislative requirement such as Development Right Agreements, Land Transfers, Rural Housing Policy requirement and Private Owned Lands issues that have to be dealt with before development can take place.
- There has also been an increase in the slums in the areas that have been ear-marked for development and in privately owned lands.
- The process of dealing with contractors' poor workmanship is very costly and lengthy in terms of both time and money.
- Development Right Agreements and Environmental Impacts Assessments usually take a long time to be approved and cause delays to Housing Projects.

T 3.4.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality council has as a part of its anti-poverty programmes developed and implemented an indigent policy. This policy provides a framework for the identification and provision of assistance to indigent households in order to enable them to have access to basic services. These include:

- Access to a minimum safe water supply (as defined by White Paper on Water Supply and Sanitation, 1994)
- Adequate sanitation (as defined in Sanitation White Paper)
- Solid waste removal
- Access to household energy supplies
- Mobility – locally and to areas of economic opportunity (access to and availability of roads and public transport)
- Protection from flooding (adequate drainage and storm water management)
- Availability of primary health care facilities
- Access to communication (access to telephone network)
- Access to education facilities (schools, libraries)
- Facilitation of community activities (access to community halls and recreation facilities)."

It became evident given the key notes above, that uMshwathi Municipality facilitates access to Free Basic Services to all its communities. On an annual basis, an Indigent Register is prepared and sent to the uMgungundlovu District Municipality and Eskom.

Currently, there is an approved list of recipients of electricity and water; recipients are vetted as per the pre-qualifying criteria from Eskom and the uMgungundlovu District Municipality.

Successful recipients are provided with tokens for electricity and water is delivered to strategically identified areas weekly through water tankers.

T. 3.6.1

Eskom: FBS database

Free Basic Services To Low Income Households			
	Free Basic Electricity		
	Cost to Municipality	Access	%
2012	810,623	2 097	34.9%
2013	813,431	1 901	31.6%
2014	862,667	2 168	35.8%
			T 3.6.3

COMPONENT :B: ROAD TRANSPORT

3.7 ROADS

According to the Department of transport the municipality has a total of 829.89 kilometers of road. Surfaced road accounts for 39% and the balance of 61% is gravel road. The Municipality is responsible for the maintenance of approximately 112 kilometers of this road network, which is made of 21% of paved road, 44% unpaved and the balance of 35% is made of tracks.

The most notable finding is that 35% of our road network consists of gravel tracks that have to be upgraded into a minimum standard of a gravel road. At a current estimated cost of R550 000 for a gravel road construction, the municipality would need at least R21, 5 million to do away with gravel tracks.

T 3.7.1

The following road construction projects were completed during the year.

uMshwathi Municipality Roads Project Information				
Project Name	Ward	Status as at 30 June 2013	% Comp	Finish Date
Shalkeni Road	5	Project is 100% complete.	100%	Dec 2012
Nhlambamasoka Road	11	Project is 100% complete.	100%	June 2012
Mshayazafe Road	13	Project is 100% complete.	100%	May 2012
Trust Feed – Road	9	Project is 100% complete.	100%	April 2013
Thokozane Road – Regravelling	1	Project is 100% complete.	100%	June 2013
Efaye Road	3	Project is 100% complete.	100%	June 2013
D1012 – Regravelling	12	Project is 100% complete.	100%	July 2013
Thokozane Roads Stormwater	1	Project is 100% complete.	100%	June 2013
Ntanzi Road	4	Project is 100% complete.	100%	June 2013
				T 3.7.4

3.8 TRANSPORT INCLUDING VEHICLE LICENSING

INTRODUCTION TO TRANSPORT

The municipality is authorized to render a limited number of transport regulatory services under the auspices of the provincial transport department. This service includes processing of existing drivers license applications, collections payments for vehicle licenses, conducting test and issuing of learner driver licenses. These services are rendered by the Motor Licensing Bureau (MLB) which has offices in Wartburg.

The municipality does not render any public transportation service. To a large extent this service is rendered by independent taxi owners who are affiliated to various local taxi owners associations. A small number of bus operators exists and their services run normally during morning and afternoon pick hours.

T 3.8.1

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

The municipality department of technical services is, among other things, responsible for the infrastructure construction and maintenance in order to ensure adequacy of levels of services to all communities. This responsibility includes looking after stormwater drainage network within the municipality.

A stormwater maintenance program has been developed for the following area Wartburg, Dalton, Cool Air and New Hanover. A recently conducted road infrastructure audit indicates that 23 km of paved road stormwater drainage system required close and continuance monitoring.

To supplement limited capacity within the responsible department, stormwater maintenance services are carried out using both in house and using services of infrastructure maintenance contractors. The municipality has over the past financial year embarked on a drive to develop a systematic infrastructure maintenance plan that will inform its future allocation of resources.

T 3.9.1

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PLANNING

INTRODUCTION TO PLANNING

The activities of the Municipality's Town Planning section are aimed at providing the people of uMshwathi with the greatest possible opportunities and choices with respect to living, working, shopping, education and entertainment opportunities.

Some of the more important aspects considered in town planning are:-

- Achieving a balance between meeting people's needs and the capacity of uMshwathi's physical and economic resources
- Being responsive to the differing values, perceptions and desires of the residents;
- Promoting the attainment of visual beauty, environmental quality and a sense of place; and
- Conserving the natural environment.

Within this context, the Municipality's Town Planning Section endeavors to encourage development that is appropriate and compliant with the Municipality's Integrated Development Plan (IDP) and Spatial Development Framework (SDF) as well as complying with all legislative planning and development application procedures. Of key importance in assessing all the applications, are the principles of sustainability, feasibility and long-term benefit to the people of uMshwathi. From minor subdivisions or changes in land use, to rezonings and large-scale developments, the Town Planning Section provides the necessary guidance and support to all uMshwathi inhabitants, developers and investors to obtain approval from the Council.

The Municipality performed well in compliance with the former Development Facilitation Act (No. 67 of 1995) in that the Municipality had its designated officer facilitating and managing the relevant processes herein. With the repeal of this Act and the introduction of the KwaZulu Natal Planning & Development Act (6 of 2008), the Municipality continued to support and manage development within its jurisdiction through the Town Planning Section. In all development related matters, the Municipality promotes liaison with various stakeholders, National and

Provincial Government Departments, members of the public and other interested and affected parties. With regard to the submission of development applications, the respective procedures are determined by the nature and scale of the different types of proposals and all applications for development, regardless of their individual processes, require a detailed motivation in terms of “need” and “desirability”, anticipated impacts on the amenity and environment surrounding the application site and submission of various plans (i.e. locality/ zoning/ land use/ surveyor general diagrams/ site development plans). The Spatial Planning And Land Use Management Bill Act (effective date to be clarified) is also introducing additional responsibilities on municipalities in South Africa and therefore, the uMshwathi Municipality’s Town Planning Section will endeavor to comply with the Act and streamline the current and proposed procedures with regard to development.

Despite some of the minor challenges affecting the Town Planning Section such as, applicants not submitting all the necessary documents and attachments (which results in delays), the influx of development applications at a particular time and the need to shift priority as and when required (particularly with respect to community priorities), the Town Planning Section aims to serve the people of uMshwathi to the best of its ability. At all times, the best possible guidance and care are shown to all developers, investors and people within the uMshwathi Municipality.

T 3.10.1





PLANNING & DEVELOPMENT APPLICATIONS					
NO.	FILE REF	NAME OF APPLICATION	WORK UNDERTAKEN TOWARDS DECISION	APPROVAL DATE	RESOLUTION NO.
1	PDA 2013/5	uMshwathi Ridge Housing Development (2932 houses)	Report prepared and tabled at EXCO	24 March 2014	E665
2	PDA 2012/10	Subdivision of Vastas Organic Farm	Report prepared and tabled at EXCO	18 June 2014	E681
3	PDA 2012/9	Subdivision of Peticoat Lane	Report prepared and tabled at EXCO	18 June 2014	E680
4	PDA 2012/8	Proposed mixed use development (Schroeders Steel Foundry)	Report prepared and tabled at EXCO for partial approval of certain components of the development	18 June 2014	E685
5	PDA 2011/2	Subdivision of Mount Elias Portion 9	Report prepared and tabled at EXCO	27 August 2013	E629
6	PDA 2012/1	SUBDIVISION OF REMAINDER OF THE FARM CLARENDON NO 923 AND	Report prepared and tabled at EXCO	27 August 2013	E632
7	PDA 2013/2	Cell Mast application – Swayimane	Report prepared and tabled at EXCO	18 June 2014	E684
8	PDA 2013/3	Cell Mast application – Mbhava	Report prepared and tabled at EXCO	18 June 2014	E682
9	PDA 2013/4	Cell Mast application – Swayimane	Report prepared and tabled at EXCO	18 June 2014	E683
10	PDA 2013/1	Chicken Houses – Waterval	Report prepared and tabled at EXCO	Outstanding Information	Pending information
11		Subdivision – Farm Mostert	Report prepared and tabled at EXCO	27 August 2013	E631
12		Bhamshela shopping Centre	Pending issues in order to write report	Outstanding information	Pending
13		Subdivision Erf 48 Dalton	Report prepared and tabled at EXCO	EDP Chairperson requested item be tabled at sub-committee	Pending
14		Albert Falls Bushlodge Development	Pending outstanding information from applicant e.g. National Agriculture's Consent	Pending	Pending
T 3.10.2					

In summary, the department received and processed 14 development applications during the year although some of them are yet to be finalised.

3.11 LOCAL ECONOMIC DEVELOPMENT INCLUDING TOURISM

INTRODUCTION TO ECONOMIC DEVELOPMENT

The municipality is in line with the National Development Plan committed to become the driver of economic development within its area of jurisdiction. To make this plan a reality, the municipality places more focus on these areas of its local economy:

-  Tourism promotion.
-  Informal trade support,
-  Business licensing and support and
-  SMME/Cooperatives support

As part of the local economic growth and transformation agenda we have realized that more emphasis needs to be placed on the businesses that are owned by the youth, women and people with disabilities. Our immediate and major objective is to alleviate poverty and to increase access to economic opportunities to the citizens of uMshwathi.

The LED is one of the anchor units with the Community Services Department and is led by the LED Manager. During the service two new appointments were made for the Tourism Officer and the Tourism intern. However, the Tourism Officer was placed in another position within the first few months of his appointment.

During the past two years the Unit operating budget excluding salaries allocation grow from R350 000 to R1million. This may sound a lot, however, given the vast need for supporting LED related projects more fund will need to be made available in future for this unit to be able to achieve its full potential and to be able to make meaningful local economic development strides.

Despite the limitations posed by understaffing and financial resources allocated to the unit, it gives us great pleasure to report on the project that the unit successfully embarked upon during the 2013/2014 financial year.

Furniture Manufacturing

In 2010, twenty-two young people from different wards were sent to Vietnam for training on furniture making. This project was a partnership between uMshwathi Municipality, the National Youth Development Agency (NYDA), Truong Thanh Furniture Corporation (TTFC), TIKZN, the Furniture Industries Education and Training SETA, the Department of International Relations and Cooperation (DIRCO) and uGungundlovu FET College.

The envisaged LED spin-offs were in the form of furniture manufacturing skills transfer and business partnership between local youth and TTFC on the establishment of a furniture manufacturing company in uMshwathi. However, the Vietnamese have not been able to invest in the establishment of the factory due to the unrelenting global economic recession.

During the financial year further assistance in the form of training was offered to the group that was sent to Vietnam to make them become economically active. Nine members were sent to uFET for a New Venture Creation Learnership that was sponsored by FIETA and they completed their course in May 2014. Another six members were sent to Inchanga FET College for training on coffin and casket making. Other members of this group have found employment and were, therefore, not offered any additional assistance.

To translate the municipality investment to this group of youth members to measurable economic activity, municipality plans are afoot to sponsor the establishment of a furniture factory that will specialize in coffin and casket making. The municipality will employ a mentor that will assist this group during the initial stages and will also be buying coffins for pauper burials.

The ultimate objective of this project is still to get the Vietnamese to partner with this group of project participants.

Block making

In 2011/12, the municipality sponsored the training of people on block making and also bought block making equipment and materials for the groups.

However, 6 Wards were not part of the initial training. So, the municipality sponsored the

training of 6 groups of 2 from Wards 1,3,4,6,10,12 and 13 for similar training that was facilitated by Isivuno HR at Inchanga FET College. This group will also be provided with equipment and materials for the establishment of their block making plants.

To obviate the problems that dogged the first group of participants, the municipality will employ a mentor to provide technical support to both groups.

Support to local crafters

During this financial year, the municipality provided financial and technical support to the local crafters.

Exhibition at The Royal Show Grounds

The municipality sponsored 4 crafters representing crafters from various Wards in uMshwathi spent 2 weeks at The Royal Show Grounds.

The Festival of Beads

On 16 June 2014, the municipality sponsored a Festival of Beads in Trustfeed. Darkchild Brandz organized the event free-of-charge to the municipality. The event was the first of its kind in uMshwathi and it was attended by more than 2000 people.

The event was a competition for crafters that was aimed at motivating them to take their work as a business and was in preparation for a District- wide festival that will be organized by Darkchild Brandz later in 2014. The other objective was to encourage the rest of the community to take pride in their culture.

The Environmental Management Framework

For the past 2-3 financial years, the municipality engaged the services of The Institute of National Resources (INR) for the development of an Environmental Management Framework (EMF) for the R614/R33 Economic Node.

The framework will assist in decision making on investments and investment applications in this node. The EMF has finally been developed and presented to the Executive Committee of the

municipality. The next step will be to present the framework to the Council for adoption which would be followed by the gazetting of the framework.

Business Licensing and support to Informal Trade

Over the past few years, the municipality has developed the Business Licensing Policy and Bylaws and more recently, the Informal Trade Policy. These tools will enable the municipality to regulate trade within its jurisdiction and also to provide support to formal and informal business.

The next crucial step to be accomplished during the first quarter of 2014/15 financial year will be the adoption of these documents by Council. Thereafter, the municipality will embark on the registration of businesses and the demarcation of informal trade spots in the local towns.

Support to local SMMEs

TSAZ RENEWABLE ENERGY HOLDINGS

The Municipality has been supporting TSAZ Renewable Energy Holdings on a project of generating electricity from the use of biomass such as alien plants.

This company is working on a project of establishing an electricity generating plant in Appelsbosch. Currently, the company is conducting a Feasibility Study that is co-funded by Trade and Investment KwaZulu-Natal and uMshwathi Municipality.

The success of the project will create jobs, provide electricity to some local users and free land for agricultural use.

The municipality is hopeful that other stakeholders will join hands and support this innovative project.

PRODUCTIVITY WORKSHOP

In order to help the local SMMEs and Cooperatives improve productivity in their businesses, the Municipality organized a 1-day workshop on productivity. The workshop was attended by more

than 40 people representing different businesses. It took place at the recently-completed Thusong Centre in New Hanover and was facilitated by Productivity SA at no cost to the municipality.

LED UNIT CAPACITY BUILDING

The LED manager attended 3 capacity building workshops organized by SALGA. These workshops focused on the following aspects:

- Project packaging
- Cooperative Movement
- Tourism

The LED Unit also received a boost when a Tourism Officer was employed albeit for a short while. However, the position will be filled early in the 2014/15 financial year.

The key objectives for 2014/15 financial year will be as follows:

- to complete the review of the LED Strategy
- developing a Tourism Plan
- developing and adopting the Informal Trade Policy
- adoption of the Business Licensing Policy and Bylaw
- supporting the establishment of the Gasifier in Appelsbosch
- supporting the establishment of a smelter in Schroeders
- supporting the establishment of the coffin and casket business
- adoption of the EMF

T 3.11.1

Economic Activity by Sector

Agriculture, forestry and fishing

Government, community and social services

Manufacturing
Tourism
T3.11.2

Skills Training During the Year – Community Learnership		
Learnership	No of Learners	Amounts
National Certificate : Tiling	13	R 338 000
National Certificate : Plastering	13	R 338 000
National Certificate : Carpentry	39	R 1 014 000
National Certificate : Masonry	13	R 338 000
FETC : Plumbing	39	R1 014 000
National Certificate : LED	26	R676 000
National Certificate : Painting	13	R338 000
Total		R4 394 000
T 3.11.4		

The learnership for members of the community was made possible through grant funding received from LGSETA, FP&M SETA and from municipality skill development budget.

Although these learnerships were reported in 2012/2013 financial year, funding was received in December 2013 and the learnerships commenced in March 2014.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The department of community services plays a pivotal role in building partnership between the municipality and its civic society and provides a platform for addressing local issues and ongoing public participation. The following key functions are housed within this department.

- Disaster management
- Local Economic and Development
- Human settlement
- Protection services
- Motor Licensing Bureau
- HIV/Aids
- Council support
- Library services
- Community facilities (halls and sports grounds)
- Cemetery management
- Child care facilities
- Gender and disability
- Town and regional planning
- Integrated Development Planning
- Youth development affairs
- Special projects

T 3.12

3.12 LIBRARIES AND COMMUNITY FACILITIES

INTRODUCTION TO LIBRARIES AND COMMUNITY FACILITIES

The municipality has three libraries located in New Hanover, Dalton and Wartburg. The functioning of the library services is supported partly by the Department of Arts and Cultures and the municipality budget allocation.

Our libraries do more than just lending books. They provide information, resources and facilities that meet civil society's needs for educational, development, recreational and cultural information. During the annual library week, our libraries embark on a drive to market and promote their value to the public.

T 3.12.1

SERVICE STATISTICS FOR LIBRARIES

Library	Library membership	Resources circulated (Books, CD and periodical)	Number of exhibitions held
Dalton	860	2 152	4
New Hanover	489	1 422	1
Wartburg	1 774	1 445	5
T 3.12.2			

3.13 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES

The municipality has five (5) demarcated areas for burial under its management located in New Hanover, Cool Air, Trustfeed, Mpolweni and Thokozane. New Hanover cemetery has reached its capacity and residents are currently using Trustfeed cemetery as an interim measure. The condition of the existing cemeteries warrants attention. This is due to their capacity and ongoing need for burial space. Cool Air burial site is water logged due to its location. Risk of encroachment to burial site is developing in Empolweni due to the number of houses that are being built around the unfenced cemetery. Unfortunately, the municipality has witnessed an escalation in the incidents of vandalism in the Trustfeed cemetery. There is an urgent need to address this challenge in order to ensure continued compliance with acceptable environmental norms and standards.

As reported in the previous year's annual report, the municipality is working closely with uMgungundlovu District Municipality to find a long term solution to this pressing need.

Cemeteries are manned by one (1) cemetery supervisor who is assisted by five (5) attendants. Due to the size of the existing cemeteries, additional machinery and equipment is needed to maintain the cemeteries in a respectable condition.

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The municipality has built a number of child care facilities over the years. These facilities are operated privately by members of the community who receive funding from the Department of Health.

COMPONENT E: ENVIRONMENTAL PROTECTION

N/A

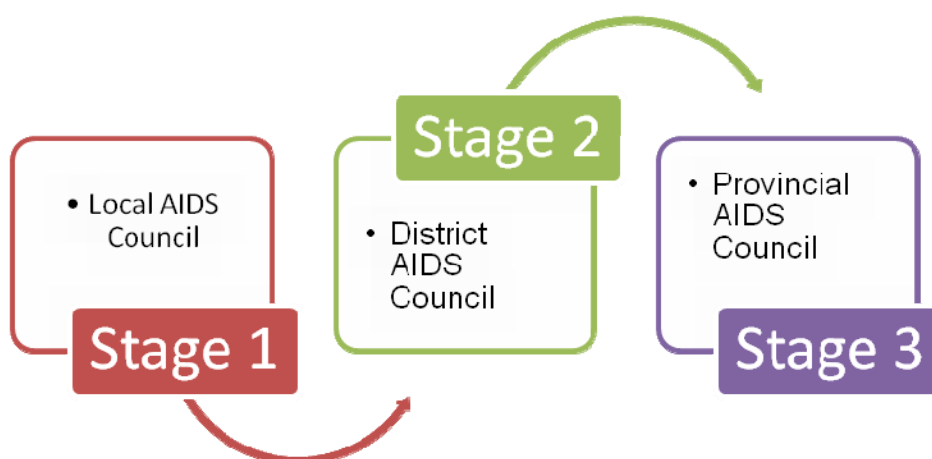
COMPONENT F: HEALTH

3.17 CLINICS / SOCIAL PROGRAMMES

The clinic service was taken over by the Department of Health at the beginning of the financial year. However, the municipality continues to contribute to activities that lead to an improved health of its community. During the year, the HIV/AIDS coordinator was appointed and her activities are linked to both provincial health plans as well as provincial Operation Sukuma Sakhe (OSS).

On the health front, OSS seeks to improve access to community health facilities by all members of the civic society and to drastically reduce the high levels of infant mortalities from curable diseases due to late diagnosis. The quest for infant mortality reduction is spearheaded by the “Phila Mntwana” programme.

The municipality has a functional HIV /AIDS Unit under the supervision of the General Manager Community services. The Unit has a designated HIV/AIDS Coordinator who reports to the municipal structures of council, and the National Strategic Plan of HIV. Reports and dissemination of information take place as shown in the process flow below



The Local Aids Council of the Municipality is championed by the Honorable Mayor and was re-established in November 2013. The establishment of Wards Aids Committees in all wards followed this. The champion is also the designated chairperson as stated within the SANAC (South African National Aids Council) .

Below is a list of NGO's who are part of the municipality local AIDS council and their role.

<u>Name of the NGO</u>	<u>Contribution to the fight against HIV /AIDS</u>	<u>Projects Implemented</u>	<u>Targeted Population</u>	<u>Targeted Outputs</u>
<u>uMvoti Aids Centre</u>	<u>Support group facilitation, household & Community HCT, MMC recruitment & referral, Key Populations Project for Gays & Lesbians & Farm Dwellers, Men's Dialogues, School / learners health, Women's Focus Groups Facilitation</u>	<u>Men's Imbizo Crammond, Trustfeed , Swayimani (ward) Women's Focus Group Discussions ward 8 Farm Dwellers Drug Injectors / Needle Users Referred for Rehabilitation Support Group Facilitation 2 groups at Ward 12 1 at Trustfeed</u>	<u>Men & Women Learners Drug Users Key Populations (Gays , Lesbians, & Farm Dwellers) HIV Infected participants</u>	<u>Behavior Change HIV Prevention Decrease in defaulter rate</u>
<u>Community Media Trust (RMCH/ reducing maternal and child mortality through strengthening primary health care)</u>	<u>Community Dialogues Reproductive Health services at schools MMC recruitment & referrals</u>	<u>Offered 3 months of the services at two schools that were identified with high teenage pregnancy within uMgungundlovu District: see copy of the newspaper attached</u>	<u>Learners</u>	<u>75% teen pregnancy reduction at uMthuli High School</u>
<u>CMT : Community Mobilization Component</u>	<u>Community Mobilization, education , HCT , CD 4 test on site</u>	<u>Conducted mobilization for the LAC project that took place at ward 2, Railway & Shiyabazali</u>	<u>Ward 2</u>	<u>More people taking part in testing for HIV , increased condom use, and knowledge of HIV & STI'S</u>
<u>Aids Foundation : Behavior Change Component (BCC)</u>	<u>Behavior Change Campaigns at a ward level, strengthening uptake of HCT , and MMC amongst the Youth , Community Dialogue facilitation</u>	<u>Ward 11, ward 12 , ward 5 Siyadlala campaigns , with HCT, HIV Information MMC recruitment</u>	<u>Youth , school going and out of school</u>	<u>Behavior Change , reduction of Social Ills</u>

These NGO's work hand-in-hand with the municipality in a newly created structure called Nerve Centre, which coordinates planning and ensures synergy of the operations and activities amongst all the stakeholders.

3.19 HEALTH FOOD ABBATOIR LICENSING AND INSPECTION;

COMPONENT G: SECURITY AND SAFETY

This component includes: police, fire, disaster management, licensing and control of animals, and control of public nuisance and so on.

INTRODUCTION TO SECURITY AND SAFETY

The security and safety aspect of the municipality is responsible for the following.

- Traffic law enforcement

- By-law enforcement

- Support to disaster management (this function is performed by the district municipality)

T 3.20.1

3.20 PUBLIC SAFETY

INTRODUCTION TO PUBLIC SAFETY

Policing is in terms of the government administration and is not a function of the local municipalities. This responsibility falls on the shoulders of the South African Police Services. uMshwathi does, however, play a limited role in the enforcement of traffic law and by-laws only.

The municipality's safety and security is premised on the basis of adherence to laws and regulation, reduction of levels of crime, building of society cohesion and protection of the most vulnerable members of the society. This is a shared responsibility amongst the municipality's safety and security units, members of the South African Police Services, National Road regulating authority and the community policing forums.

The municipality's safety and security units have the following key responsibilities:

- Traffic Services;
- Motor Licensing Services and
- Disaster Management

To ensure success in its activities a great emphasis is placed on the role that is played by the local community and organized stakeholder involvement. The municipality is pleased to note a decrease in the levels of traffic laws violations.

uMshwathi Analysis of Traffic Prosecutions					
	Details	2013	2014		2015
		Actual no.	Estimate no.	Actual no.	Estimate no.
1	Barrier Line	300	390	390	410
2	Fail to carry license	800	850	850	860
3	Negligent driving	6	6	6	6
4	No Drivers License	6	6	6	6
					T 3.20.2

The involvement of the community in matters that affect their safety and security is very important. For this reason, the municipality places an emphasis on ensuring that safety and security matters become part of the community discussion agenda in wards.

To ensure safety of our road users, in particular scholars, the municipality partnered with the Department of Transport on a pilot scholar patrol project that is now in its third year of operation. This is a proactive road accident prevention initiative which has also created temporal employment opportunities. Unfortunately, the term of our Memorandum of Understanding (MOU) with the Provincial Department of Transport expired on 31 March 2014. The municipality has seen the enormous benefits of the programme and will make plans to continue with it using its own financial resources.

The following are some of the key elements of the scholar patrol programme that have led to the decision to continue funding the project in future.

The programme leads to the creation of the job opportunity for the vulnerable members of our community with its emphasis on four key poverty alleviation principles in the recruitment of candidates places preference on the following:

- Women.
- Women headed households.
- No income households; and
- The applicants must live within the vicinity of the crossing point which save on the cost of travelling.

As a general policing norm of ensuring the community safety, road blocks are conducted regularly to check on offences such as drunken driving and other similar offences. In the coming year more emphasis will be placed on drivers who do not pay their road offence fines.

Backed by adopted Council resolutions, the Traffic Services believe we could see the installation of three way traffic lights at Wartburg, at the intersection of the R614 and Wartburg High Street; and a four way traffic light system at the intersection of the R614 and D278 at Dalton. These actions together will contribute, we believe, to transforming the economic and traffic spin-off possibilities for uMshwathi Municipality.

We believe further, that the hoped for construction of a Weighbridge will bring with it possibilities for much needed revenues from damages caused by trucks using our roads. There also lies the possibility for uMshwathi to have its own driver testing facility at some stage.

Part of our future safety plans includes inter alia:-

- Improved communication facilities for our traffic offices
- The installation of traffic lights both at Dalton and Wartburg. This will contribute greatly to traffic calming measures in the Municipality.

DISASTER RISK MANAGEMENT

During the period under review, the Comprehensive Disaster Risk Assessment was conducted in the municipality by the uMgungundlovu District. The assessment assists in the identification of potential hazards, and allows for the systematic formation of disaster risk management plans. This plan ensures that the municipality is ready to deal effectively with any disaster that might arise.

The municipality took a far-sighted judgment call, preferring to commit services to the uMshwathi disaster effort. To this end, a Disaster Management Officer is in place at the Municipality. Of key importance has been the Municipality's capacity to demonstrate good practices in building resilience for uMshwathi in general.

3.21 FIRE (DISASTER MANAGEMENT)

Provision of Fire and disaster management services is essentially a District Municipality function, however, the Fire Services works closely with the uMshwathi Disaster Management Unit in the Municipality. The Disaster Unit in cooperation with the district municipality conducted an awareness campaign at ward level which also involved schools. The schools involved were Nkayishana Primary School (Ward 1); Fortmaspruit School (Ward 2); Inkululeko Primary School (Ward 5) and; Mayizekanye High School (Ward 6). Staff who work for the unit are provided with protective clothing on a periodical basis .

3.22 DISASTER MANAGEMENT AND PUBLIC CONTROL

This activity is rendered by the District Municipality

COMPONENT H: SPORT AND RECREATION

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.24 EXECUTIVE AND COUNCIL

INTRODUCTION TO EXECUTIVE AND COUNCIL

The Municipality has developed and adopted the policy on Staff Retention and Attraction to address the scarce skills phenomenon. It is the belief of the municipality that through recruitment the application of the Staff Retention and Attraction Policy will continue towards assisting the Municipality to meet its objectives as expounded in the IDP.

The objectives of this policy are, besides a payment of remuneration, may be pitched at a market

rate of a particular post the Municipality has the scarce skills development strategies. Employees

and non-employees are contracted to learnerships on scarce skills trainings, bursaries are granted in some of the following disciplines: architecture , town planning, quantity surveying, (??) engineering , mechanical engineering , land surveying , professional valuing , etc. Coaching and mentoring, job satisfaction surveys and career pathing are part of the Policy. Through the implementation of this policy then a need will arise to develop a succession policy which will be carefully interrogated within the context of retention of the skills in the organization and addressing the growing unemployment even among those young

Financial Performance 2014 The Executive and Council					
R'000					
Description	Year 2013	Year 2014			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operating Revenue	105 864	122 973	125 051	123 687	125 051
Expenditure					
Employees	29 692	44 464	45 384	45 009	45 384
Repairs and Maintenance	3 851	10 203	9 333	6 947	9 333
Other	37 706	34 788	36 816	35 016	36 816
Total Operating Expenditure	71 249	84 455	91 533	86 972	91 533
Net Operating Expenditure	34 615			36 715	125 051
					T 3.1.8

Capital Expenditure 2014 Executive and Council				
R'000				
Capital Projects	Year 2014			
	Budget	Total Additions	Variance from original budget	Total Project Value
Infrastructure	3 300	6 823	10 123	
Construction works	26 560	13 718	40 278	
Buildings	10 468	2 011	12 479	
Furniture	200	637	837	
Computer hardware – additional laptop	675	1 156	1 831	
Machinery	1 000	200	1 200	
Vehicles	1 700	-	1 700	
Land	800	-	800	
Total All	44 703	24 545	69 248	
				T 3.1.8

3.25 FINANCIAL SERVICES

INTRODUCTION TO FINANCIAL SERVICES

At the base level, the finance department is responsible for all the day to day transactional accounting for the municipality. These includes the processing of invoices from supplies, payment for goods and services received as well as issuing of reports reflecting all transactions and the management of any government reporting. The finance department is also responsible for the management of the municipality's cash flow and ensuring there are enough funds available to meet the day to day payments.

At a strategic level, the Department of Finance is the anchor office of the Municipality as it provides support to all the departments. The primary role is to deal with the management of a municipal's funds in line with the approved budget and ensures financial sustainability for the institution. The department of finance is led by The Chief Financial Officer

The main functions of the department are:

- Revenue Management
- Expenditure Management
- Budget and Financial Reporting
- Supply Chain Management
- Asset and Liability Management
- Financial statements and reports, Financial administration (asset management, investments, insurance, and so on);
- System control and Accounting Services

T 3.25.1

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO CORPORATE SERVICE DEPARTMENT

uMshwathi Municipality recognises that transformation and institutional development are key to maximising service delivery. As an internal service provider providing administrative support to ensure improvement in service delivery being the ultimate goal of the Municipality, the Corporate Service Business unit key roles and responsibilities are to provide human resources, administrative, legal and advisory support to the rest of the organisation thus playing a lead role in organisational transformation.

In order to ensure that the Municipality as an organization has the right number of people, the right kind of people and in the right places, at the right time doing things that are economically efficient, the Municipality will need to render a professional support service that is well aligned to the Municipality's Integrated Development Plan (IDP). Maintaining up to date policies and procedures, providing a sound records management system, addressing governance issues and being a catalyst for change management. The Corporate Services department is responsible for the following core competency areas:

- Human Resource Management
- Corporate administrative services
- Secretariat services
- Compliance legal services,
- Records Management services
- Fleet management services
- Security management services

T 3.26.1

INTRODUCTION TO HUMAN RESOURCES

The Human Resources section consists of the following units: Personnel Management, Employment Equity, Employee Relations, Skills Development, Organisational Development, Occupational Health and Safety, Systems and Remuneration, Employee Assistance and Human Resources Management Services.

The Human Resources Section of Corporate Services formulates policies and procedures that are aligned to the Integrated Plan that is compliant with legislation and the collective agreements of the South African Local Government Bargaining Council. The Human Resources Section is responsible for the implementation of relevant Human Resources Legislation.

The Human Resources Unit has a mandate, in particular, to address the following areas of responsibility;

- Recruitment, selection and employment;
- Labour relations management;
- Pay and leave administration;
- Staff administration;
- Grading and remuneration;
- Sick leave management;
- Employee wellness;
- Rewards and recognition systems;
- Performance management systems for all staff;
- Talent management and succession planning;
- Skills retention initiatives; and
- Staff morale, organizational diagnostics and perception studies.

T 3.26.1

The Corporate and Human Resources functions and responsibilities address many of the IDP requirements to ensure effective service delivery and community development, these include:

- To contribute towards Employability & Self Employability of Youth and Community.
- To ensure a competent workforce to achieve organizational objectives.
- Improve quality and management control processes.
- To align the organizational culture to the Business objectives to improve organizational efficiency and measure.

T 3.26.1

Employees: The Executive and Council					
Job Level	2013	2014	Total Approved Post	Vacancies (Total time that vacancies exist using using fulltime equivalents)	Vacancies (as a % total posts in each category)
	Employees	Posts			
	No.	No.	No		
Office of the Municipal			32	20	63%
Corporate Services			26	3	12%
Finance Services			20	4	20%
Community Services			44	12	27%
Technical Services			200	110	55%
Total	172	185	321	149	46%

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCES

During the year 2013/2014 uMshwathi Municipality fulfilled its obligation of filling the five (5) critical vacant positions, namely the Municipal Manager, General Manager; Corporate Services, General Manager; Technical Services, General Manager; Community Services and the Chief Financial Officer. The process of the filling of the posts was done in accordance with the municipal systems and procedures contemplated in Section 54A, 56 and 57 and 67 of the Municipal Systems Act 32 of 2000. The posts were advertised as per the MSA. The applicants were short-listed and the candidates were interviewed. Within fourteen (14) days of the interview proceedings the Municipality informed the MEC for Corporative Governance and Traditional Affairs of the outcome of the interviews with details of the process that was followed to arrive at the outcome as stipulated in Section 56 of the Local Government Municipal Systems Act 32 of 2000. We then received the approval of the MEC for the respective appointments. Subsequent to the commencement of the financial year, the following section 54 and 56 managers were appointed:

- Municipal Manager
- Chief Financial Officer
- General Manager Corporate Services
- General Manager Community Services
- General Manager Technical Services

It must be noted that although the Municipality made appointments in all the Section 54 and 56 managers, in October 2013 the Municipal Manager resigned and the Municipal Council subsequently advertised the post.

T 3.26.7

Turnover Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turnover Rate
	Number	Number	
2011	188	3	1.6%
2012	185	6	3.2%
2013	172	17	10.0%
2014	185	18	10.0%
T 4.1.3			

COMMENT ON VACANCIES AND TURNOVER

The Municipality assisted education scheme is used as a means of helping interested staff acquire skills to ensure that they are given greater responsibilities. In addition staff is appointed to act in higher level positions as part of their development. Several management and supervisory development programs are also used for staff development. The Annual Workplace skills plan identifies training needs for all staff. Managerial and supervisory posts are advertised internally with the view of having them filled by internal appointments. A strategy has been implemented to assist the municipality in recruiting and retaining identified scarce skills. This strategy aims to bring stability to the employment levels of scarce skilled

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICE

The Information and Communication Technology Services fall under The Municipality Mangers office. This unit is the custodian of the municipality communication technology and it operates in accordance with the approved ICT plan.

The municipality's need for investment in ICT infrastructure has transcended compliance to become one of the municipality's driving tools for the acceleration of service delivery, improved efficiency and accountability.

During the year under review the ICT Services unit remained at the forefront of the municipality communication with the outside world. More users were added by the municipality email services and regular information update was posted on the municipality website. This helped to improve access to the community of the municipality services and opportunity for business.

The full roll-out of the new wireless WAN connecting Wartburg (Technical Services and MLB), Dalton (Library and Traffic Inspectorate), Cool-Air (Cash point) and New Hanover (Head Office) offices are expected to be finalized in the next financial year. This cutting-edge technology is expected to save the Municipality an average R 30 000 per month and to create single network for seamless internet and the inclusion of IP Telephony for reduced communication costs. The project is expected... ??

The municipality took advantage of the high-end biometric access control system which incorporated time and attendance system. The system will soon take the load off the maintenance of the Attendance Register. Through the introduction of these risk control and cost reduction measures human interactions on mundane tasks are expected to be minimized, thus freeing employees to do other more engaging tasks.

T 3.27.1

3.28 RISK MANAGEMENT AND PROCUREMENT SERVICES

COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

INTRODUCTION TO MISCELLANEOUS

The municipality does not have any items to report under this category.

T 3.29.0

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

ORGANISATIONAL ANNUAL PERFORMANCE SCORECARD

uMshwathi organizational annual score card is one of the mechanisms that help to monitor and evaluate organisational and individual performance in order manage progress towards the achievement of strategic targets, promote continuous improvement in efficiency, and improve level of service delivery.

At the beginning of the financial year 2012/2013, the municipality did not have a dedicated employee specializing in Performance Management System (PMS). The post was advertised and filled in March 2013. In May, the Department of Co-operative Governance and Traditional Affairs conducted a diagnostic assessment on the municipality's performance management system. As expected, the results indicated gaps in the municipality's PMS in terms of meeting the legislative requirements. In light of the findings, corrective measures outlined below have been taken in order to address this challenge.

- (i) That clearly defined strategies have been included in the 2013/14 IDP.
- (ii) SMART principles have been applied when developing targets.
- (iii) IDP is now aligned to the national key Performance Areas.
- (iv) A review and adoption of the PMS Framework is currently underway.
- (v) The departmental scorecards are now aligned with Organisational scorecard.
- (vi) That 3-5 year targets are included in the IDP as per the framework.

A performance management workshop was also conducted in order to outline various stakeholders' roles and responsibilities and to coordinate the plan. Refer to **appendix T** for a detailed municipality performance score card.

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE REPORT

PART II

INTRODUCTION

The expectations of the community for better and faster service delivery change rapidly. In order to meet these demands the municipality needs to reshape and continuously examine and improve its service delivery capabilities within the given limited resources. This continuous self reinventing process should not be limited to operational functions but needs to take a holistic review of the municipality if sustainable results are to be achieved. This thinking forms part of uMshwathi organisational development.

uMshwathi key organisational development objectives are in line with the national municipality turnaround strategy which was introduced two years ago.

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Vacancy Rate : 2013			
Designations	Total Approved Posts: No.	Vacancies (Total time that vacancies exist using fulltime equivalents): No.	Vacancies (as a proportion of total posts in each category): %
Municipal Manager	1	0	0
CFO	1	0	0
GM: Community Services	1	0	0
GM: Corporate Services	1	0	0
GM: Technical Services	1	0	0
SCM Manager	1	0	0
Human Resources Managers	1	0	0
LED Manager	1	0	0
Housing Manager	1	0	0
Manager Planning	1	0	0
Chief Protection	1	0	0
GRAND TOTALS			

T 4.1.2

The Municipality had a vacancy rate of 46% during the 2013/14 financial year. The unavailability of funds prevented the Municipality to fill most positions and this contributed to the high vacancy rate.

The Municipality has developed and implemented an effective recruitment and selection process. This process is in line with applicable legislation and sound management policies. All critical positions of HOD's have not been filled. The process of the filling of the posts was done in accordance with the municipal systems and procedures contemplated in Section 54A, 56 and 57 and 67 of the Municipal Systems Act 32 of 2000. The post was advertised as per the MSA. The applicants were short listed and the candidates were interviewed. Within fourteen (14) days of the interview proceedings the Municipality informed the MEC for Corporative Governance and Traditional Affairs of the outcome of the interviews with details of the process that was followed to arrive at the outcome as stipulated in Section 56 of the Local Government Municipal Systems Act 32 of 2000. We then received the approval of the MEC for the respective appointments. Subsequent to the commencement of the financial year, the following section 54 and 56 managers were appointed:

- Municipal Manager
- Chief Financial Officer
- General Manager Corporate Services
- General Manager Community Services
- General Manager Technical Services

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

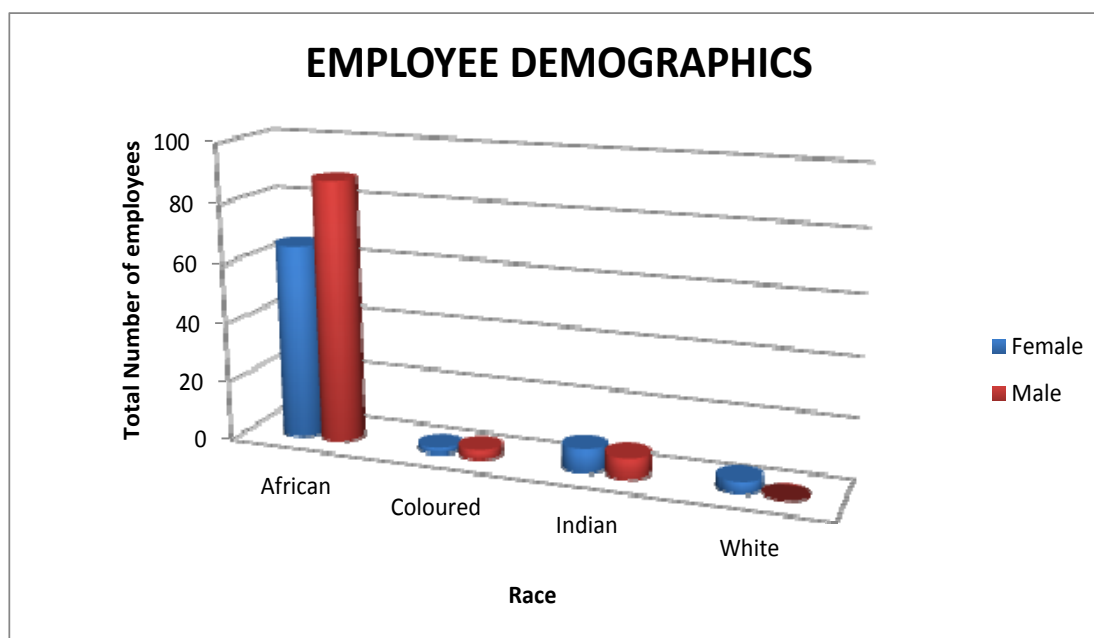
HR Policies and Plans			
	Name of Policy	Completed%	Date adopted by Council
1	Recruitment and Selection Programme	100%	Awaiting adoption
2	Bursary Policy (Internal & External) Policy	100%	Awaiting adoption
3	Staff Retention and Attraction Policy	100%	Awaiting adoption
4	Employment Equity Plan Policy	100%	Awaiting adoption
5	Annual Leave Policy	100%	Adopted in August 2012
6	Permanent Employment Policy	100%	Adopted in August 2012
7	Termination of Service Policy	100%	Adopted in August 2012
8	Transfer of Staff within the Municipality	100%	Adopted in August 2012
9	Temporary employment Policy	100%	Adopted in August 2012
10	Appointment of New Staff Members	100%	Adopted in August 2012
11	Common Business Language of the Municipality Policy	100%	Adopted in August 2012
12	Communication Policy	100%	Adopted in August 2012
13	Cellular Telephone Policy	100%	Adopted in August 2012
14	Confidentiality Policy	100%	Adopted in August 2012
15	Access to Employee Files Policy	100%	Adopted in August 2012
16	Conflict of interest Policy	100%	Adopted in August 2012
17	Use of Municipality Assets and Resources	100%	Adopted in August 2012
18	Extraneous Employment (Moon lighting) Policy	100%	Adopted in August 2012
19	Gifts to Municipality Employees Policy	100%	Adopted in August 2012
20	Housing Guarantees Policy	100%	Adopted in August 2012
21	Medical Aid Policy	100%	Adopted in August 2012
22	Membership to professional societies Policy	100%	Adopted in August 2012
23	Pension Fund Policy	100%	Adopted in August 2012
24	Travel and Subsistence Expenditure Policy	100%	Adopted in August 2012
25	Unemployment Insurance Fund (UIF) Policy	100%	Adopted in August 2012
26	Use of Internet and E-mail Policy	100%	Adopted in August 2012
27	Working Hours Policy	100%	Adopted in August 2012
28	Regulations of Trade Union Activities Policy	100%	Adopted in August 2012
29	Long Service Allowance Policy	100%	Adopted in August 2012
30	Inclement weather Policy	100%	Adopted in August 2012
31	Prevention of nepotism Policy	100%	Adopted in August 2012
32	Dress Code Policy	100%	Adopted in August 2012
33	Appointment in an Acting Capacity Policy	100%	Adopted in August 2012
34	Training and Development Policy	100%	Adopted in August 2012
35	Employee Training and Development Policy	100%	Adopted in August 2012
36	Job Evaluation Policy	100%	Adopted in August 2012
T 4.2.1			

HR Policies and Plans (continued)			
	Name of Policy	Completed%	Date adopted by Council
37	Learnership Policy	100%	Adopted in August 2012
38	Experiential Training Policy	100%	Adopted in August 2012
39	Internship, Volunteerism and Learnership Policies	100%	Adopted in August 2012
40	Succession Planning and Career Policy	100%	Adopted in August 2012
41	HIV / AIDS policy	100%	Adopted in August 2012
42	Medical Examinations Policy	100%	Adopted in August 2012
43	Sexual Harassment Policy	100%	Adopted in August 2012
44	Smoking Policy	100%	Adopted in August 2012
45	Substance Abuse Policy	100%	Adopted in August 2012
46	Policy for Physically challenged	100%	Adopted in August 2012
47	Employee Wellness Policy	100%	Adopted in August 2012
48	Occupational Health and Safety Policy	100%	Adopted in August 2012
49	Industrial Relations Policy	100%	Adopted in August 2012
50	Losses and debts owing to Municipality	100%	Adopted in August 2012
51	Policy for Individual / group problems solving / Grievance	100%	Adopted in August 2012
52	Business meeting venues policy	100%	Adopted in August 2012
53	Legal Aid for Councillors and Employees Policy	100%	Adopted in August 2012
T 4.2.1			

The Municipality has made much progress in the development of the required policies and procedures. The following Human Resources policies were reviewed during the 2013/2014 financial year and have been submitted and approved by the Municipal Human Resources and Sound Governance Committee, Local Labour Forum as well as the Executive Committee. The following policies are now waiting to be adopted by the Full Council: .

- Recruitment and Selection Policy
- Bursary Policy (Internal and External)
- Staff Retention and Attraction Policy
- Employment Equity Plan

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	MALE	FEMALE	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	1	0	3	0	0	0	0	0	0	0	4
Professionally qualified and experienced specialist and mid Management	7	2	1	0	3	0	2	0	0	0	15
Skilled Technical and Academically qualified workers, junior management, supervisors, foremen and superintendents	14	0	2	0	14	1	2	3	0	0	36
Semi-Skilled and discretionary decision making	14	0	1	0	14	0	2	1	0	0	32
Unskilled and undefined decision making	48	0	0	0	34	1	2	0	0	0	85
TOTAL PERMANENT	84	2	7	0	65	2	8	4	0	0	172
Temporary Employees	10	0	0	0	3	0	0	0	0	0	13

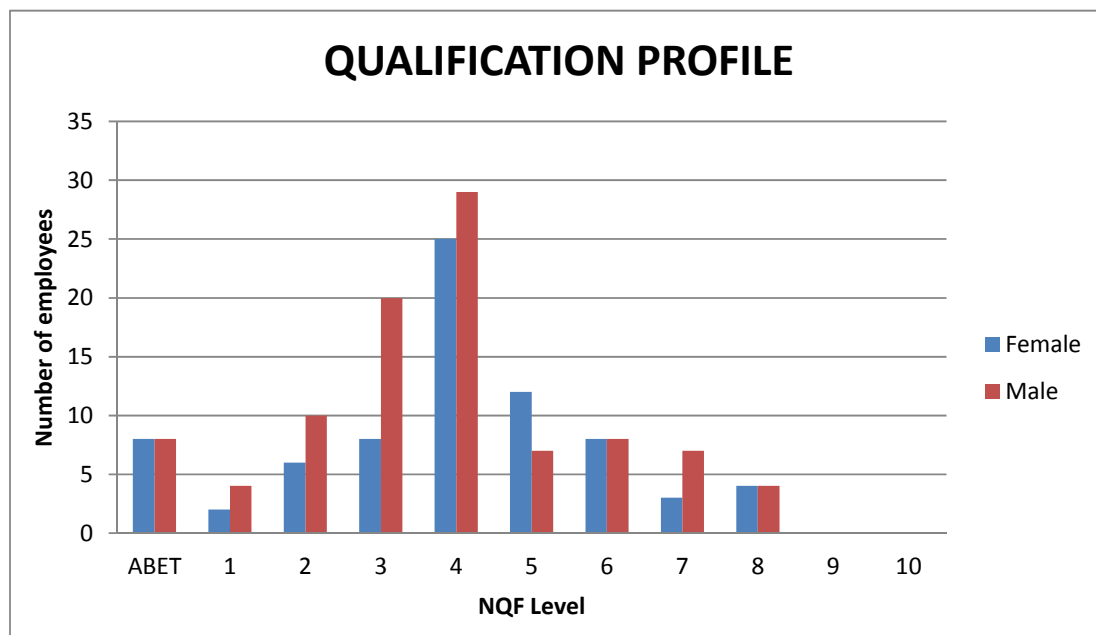


uMshwathi Municipality, in compliance with the Employment Equity Act No 55 of 1998 (as amended) will promote equal opportunity and fair treatment in employment through the elimination of unfair discrimination and shall implement the affirmative action measures to redress the imbalances of the past experienced by the designated groups. uMshwathi Municipality is committed in fulfilling the purposes of the Employment Equity Act No 55 of 1998 as amended by ensuring that its vision is in line with the vision of the Republic of South Africa. The Municipality recognizes that this shall be achieved through recruiting, training, developing and accelerating the promotional opportunities of the designated groups.

The Municipality with its relevant stakeholders (management, employees, unions etc.) undertakes to make employment decisions that are based on the principle of employment equity in line with the agreed numerical targets and Affirmative Action measures.

The Corporate Services Department has included on its organisational profile as a performance target the recruitment and appointment of people from the designated groups as an attempt to...???

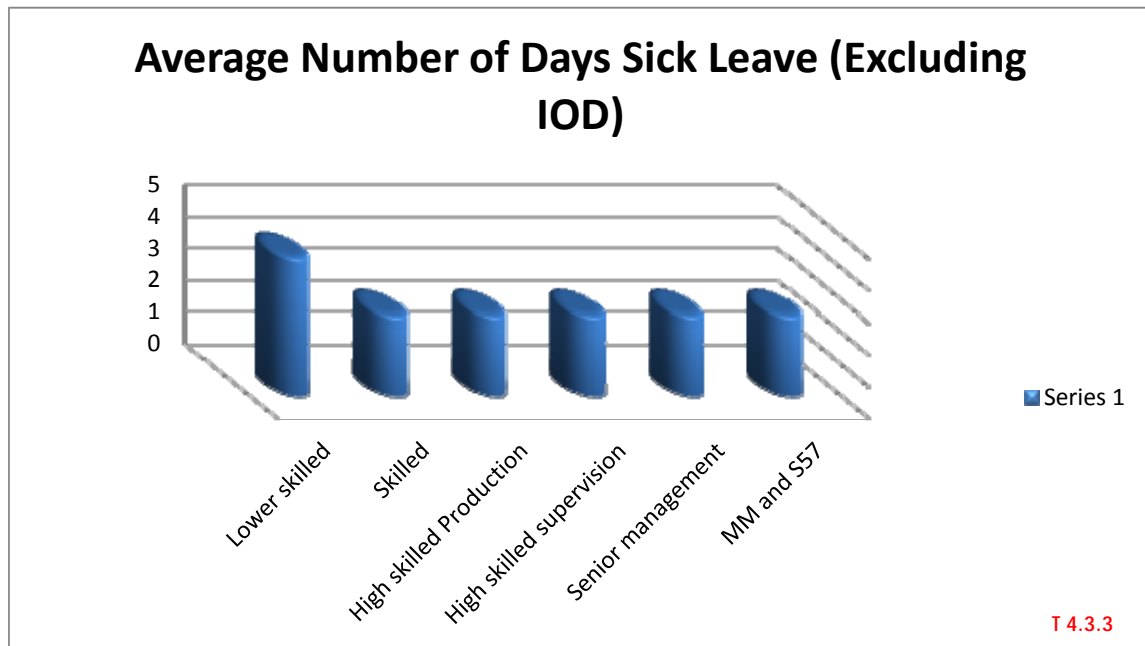
EDUCATIONAL PROFILE



The above table illustrates the level of education achieved by the employees of uMshwathi Municipality such as the different categories of NQF Levels where certain staff members have obtained... ??

Number and Cost of Injuries on Duty					
Type of injury	Injury leave taken	Employees using injury leave	Proportion employee using sick leave %	Average injury leave per employee	Total estimated cost
Required basic medical attention only	24	1	4%	24	R6 569
Temporary total disablement	-	-	-	-	-
Permanent disablement	-	-	-	-	-
Fatal	-	-	-	-	-
TOTAL	24	1	4%	24	
					T 4.3.1

Number of days and Cost of Sick Leave (Excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post	Average leave per employees	Estimated cost
	Days	%	No.	No.	Days	R
MM and S57	7			4	2	20 930
Professional and middle management	59			15	4	72 466
Skilled technical and junior management	310			36	9	301 993
Semi-skilled	167			32	5	68 904
Unskilled	456			85	5	131 829
Temporary employees	17			13	1	6 489
TOTAL	1 016	1	4%	185	5.49	602 611
						T 4.3.1



No suspensions or disciplinary action relating to financial misconduct occurred during the period which ended 30 June 2014.

IOD MANAGEMENT AND OCCUPATIONAL DISEASE MONITORING

The following steps were taken during the year to reduce injuries on Duty, sick leave management And follow up action.

IOD Management and Occupational Disease Monitoring

- Comprehensive Safety Management program in place with scheduled audits for Compliance, through the safety committee
- On-site first aid and IOD Management.
- Facilitation of incident and accident investigation.
- Scheduled safety training and safe work procedures.

Sick leave Management

- Multidisciplinary approach to sick leave management
- Active surveillance of employee absenteeism rate.
- Profiling sick leave frequency and trends.
- Awareness and liason with medical practitioners found to issue frequent and generous sick leave.
- Medical assessment of employees taking frequent and long episodes of sick leave.
- Facilitate medical assessment for incapacity.
- Address causes of sick leave identified, eg Lifestyle, substance abuse, financial problems through wellness interventions.

Sick leave management linked to HIV and AIDS

- Occupational Health diagnostic, clinical and support program.
- VCT drives
- Wellness follow up care for HIV positive employees at the Occupational Health clinic.
- Referral for ARV treatment

T 4.3.4

4.4 PERFORMANCE REWARDS

No performance rewards were paid during the reporting period.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

COMMENT ON PERFORMANCE REWARDS

No performance rewards were paid during the reporting period.

T 4.4.1.1

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The Municipal Services Act 2000, S68(1) required municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their power in an economical, effective, efficient and accountable way.

The Municipality through the Human Resources Development Unit under the Corporate Services Department is the custodian or champion for skills development on behalf of the Municipality. Various training interventions are conducted through different levels in the organization. There are training programs that are attended to equip the employees in order to improve the quality and standard of service delivery. The Workplace Skills Plan is developed along the LGSETA guideline. Almost what is due to the municipality in terms of the training rebates is collected on an annual basis in full. Whilst the Human Resources Development Unit is tasked to improve the competency of our employees, the unit is also responsible to work in partnership with various departments and training providers and communities to improve the level of skills, knowledge and behavior of our employees and citizens to be active participants in the city and the economic development and growth of the city.

Capacity Development

The municipality has several well developed capacity development programs and systems in place;

- Annual Workplace Skills Plan
- Learner ship and Community Development and training
- Study Assistance
- Audit Basic Education Programs.
- Management Training Programs
- Councilor Training Programs

T 4.4.1.1

uMshwathi Municipality is committed to the development of its unemployed Community members through education so that they can be employable in future and to enable self-employment amongst its members. The Municipality had in its budget for the 2013/2014 financial year an amount of R 750 000.00 to spend for its work place skills plan, and, through proper planning and networking ability the Human Resources Section was able to source grant funding from the Local Government Sector Education and Training Authority, herein after referred to as LGSETA. In the 2013/2014 financial year the Municipality had planned to shift its focus of training development to its Community and rolled over its internal trainings to the 2014/2015 financial year.

The Local Government Sector Education and Training Authority supported our Municipality's program by providing discretionary grants to the value of R 9.8 m for the 2012/ 2013 financial year. In 2013/2014 the Municipality obtained discretionary grants to the value of R 4.5 m, the purpose of which was to enable the Municipality to conduct community trainings.

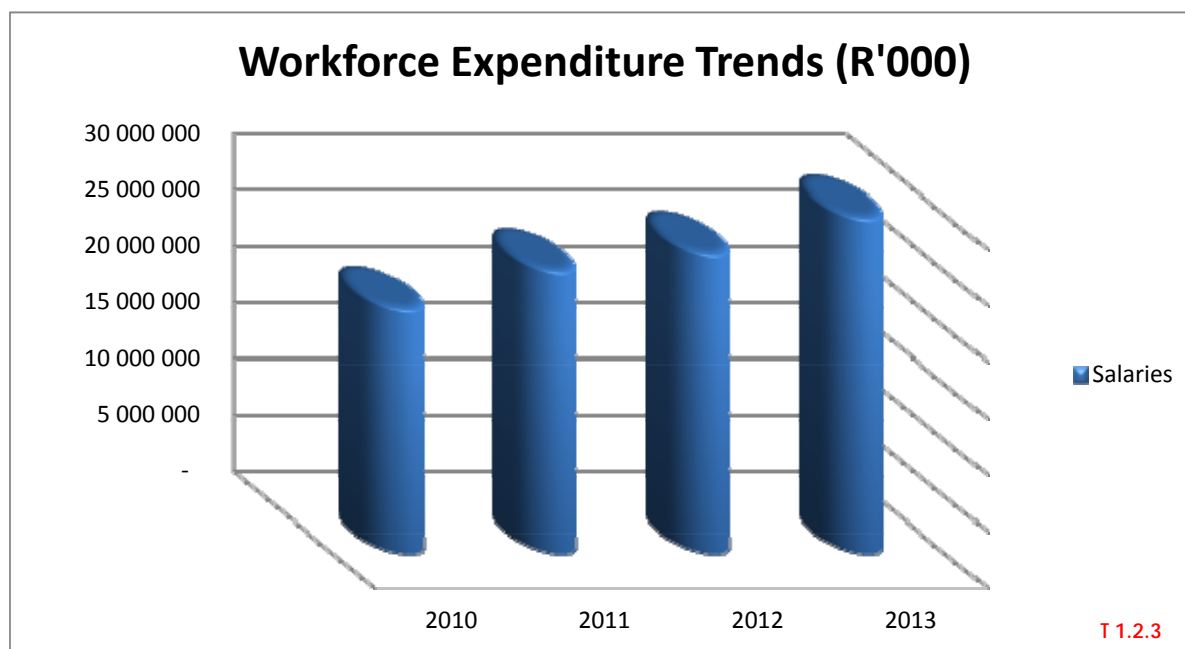
T 4.4.1.1

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix							
Management level	Gender	Unemployed learners S18.2	Unemployed learners S18.299	Employees in post as at 30 June 2014	Number of skilled employees required and actual as at 30 June 2014		
					Skills programmes & other short courses	Municipal Finance Management Program and other accredited training programmes	
				No.	Actual End of 2014	Actual End of 2014	Target
Managers	Female	Refer to Annexure W for details	Refer to Annexure W for details	3	3	1	3
	Male			9	4	4	9
Professionals	Female			8	3		
	Male			5	1		
Clerical and administrative workers	Female			22	9		
	Male			4	3		
Community service workers	Female			4	4		
	Male			11	9		
Machine operators and drivers	Female			0	0		
	Male			12	11		
Elementary workers	Female			40	27		
	Male			55	39		
Sub total	Female			77	46	1	3
	Male			96	67	4	9
Total		372		173	133	5	12

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE



Number of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded

None

T 4.6.2

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation	
None	
	T 4.6.3

Employees appointed to posts not approved	
None	
	T 4.6.4

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

The municipality takes an integrated, strategic and long-term financial management approach. This approach is linked to the IDP and SDBIP and integrates well with the procurement plan which is developed for the entire municipality at the beginning of each financial year. This is still a learning process for the municipality which is monitored and evaluated continuously by our monitoring and evaluation unit.

The procurement plan assists us to ensure that our work plans and activities are focused on the achievement of our strategic objectives. It is also a tool for ensuring efficiency in our procurement activities and sound budget management.

Refer to annual financial statements attached.

T.5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Refer to Accounting officer's Report on page 3 of the financial statement.

T 5.1.0

Refer to financial statement in volume (specify the volume) of this report.

T 5.1.2

COMMENT ON FINANCIAL PERFORMANCE

Refer to financial statement in volume (specify the volume) of this report.

T 5.1.3

5.2 GRANTS

Grants Performance						
R'000						
Grant	2013	2014			2014 Variance	
Description	Actual	Budget	Adjustment Budget	Actual	Original Budget %	Adjustments Budget %
Equitable Share	49 180	65 620	65 740	65 740	0.18%	0.18%
Finance Management	1 500	1 650	1 650	1 650	-	-
Municipal System Improvement	800	890	890	890	-	-
Municipal Infrastructure	18 404	22 376	13 888	13 888	-37.93%	-
Total	R 69 884	R90 536	R 82 048	R82 048	-9.38%	-9.38%

T 5.2.1

ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Asset Management can be defined as the strategic management of fixed assets during their life in the organisation. Fixed assets useful for life encompasses acquisition, use, maintenance, and disposal.

The fixed asset register is managed by the finance department. The municipality fixed assets are physically counted at least once per annum and the asset register is subsequently updated accordingly. For security and physical identification purposes most of the municipal assets are tagged with a barcode that corresponds with the asset register. Clearly visible signage boards have been erected in all the community halls as well as in the municipal administration offices. Controls have been introduced to discourage and deal with abuse of municipality motor vehicle. These controls involve physical inspection of the municipality vehicles as they leave and return to the municipality control sites.

T 5.3.1

Repairs and Maintenance: Year 2013/2014

R'000

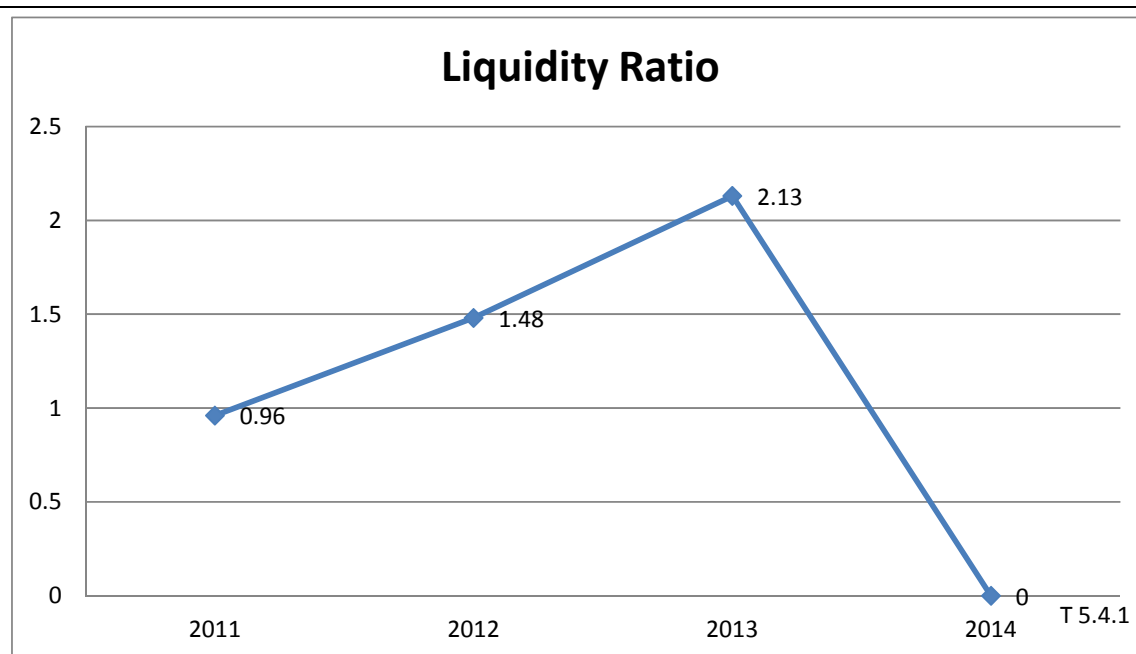
	Original Budget	Adjustment Budget	Actual	Budget Variance
Repairs and Maintenance	10 203	9 333	6 947	(26%)
				T 5.3.4

COMMENT ON REPAIRS AND MAINTENANCE EXPENDITURE

The current proportion of the repairs and maintenance expenditure is 5% of the total operating cost. The figure is low than the acceptable norm of 8%. This variance is due mainly to the high level of competing needs for the limited resources at the municipality disposal.

T 5.3.4

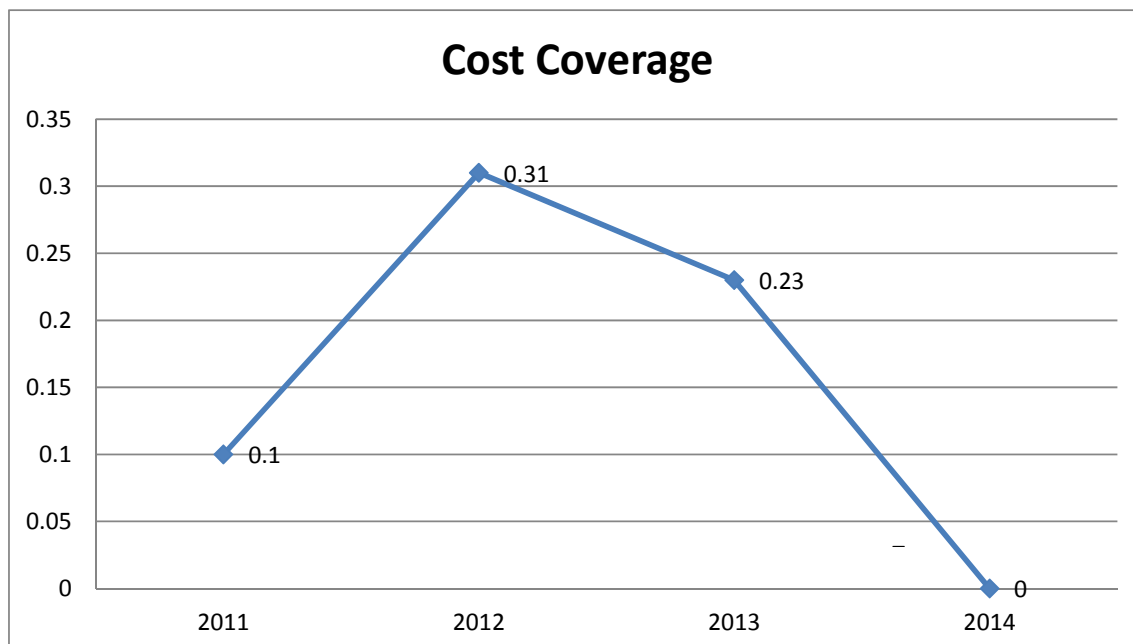
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



Liquidity Ratio-Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

Data used from AFS 2010 – 2013

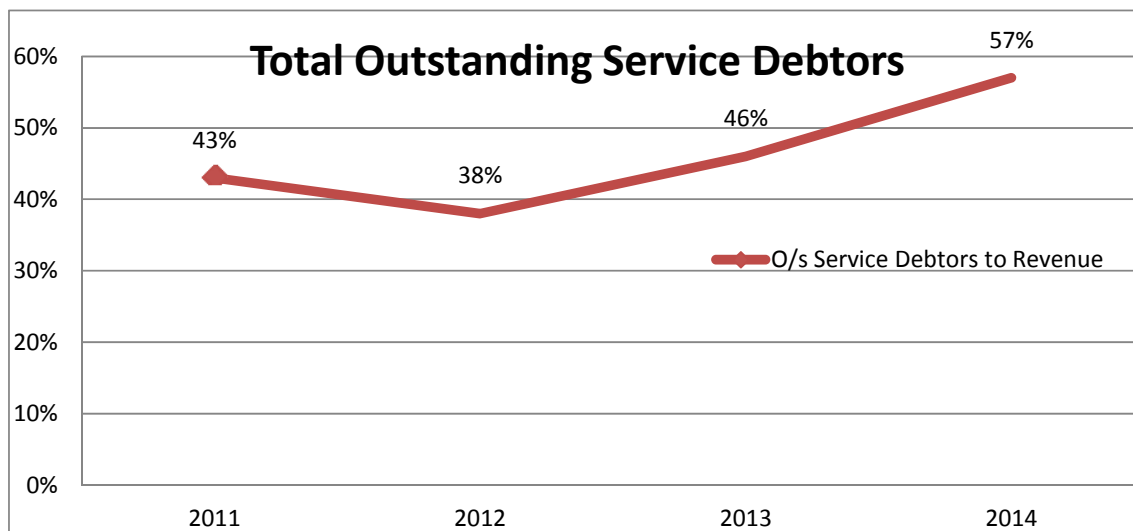
T 5.4.1



Cost Coverage- it explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilization of grants and is calculated.

Data used from AFS 2011 – 2014

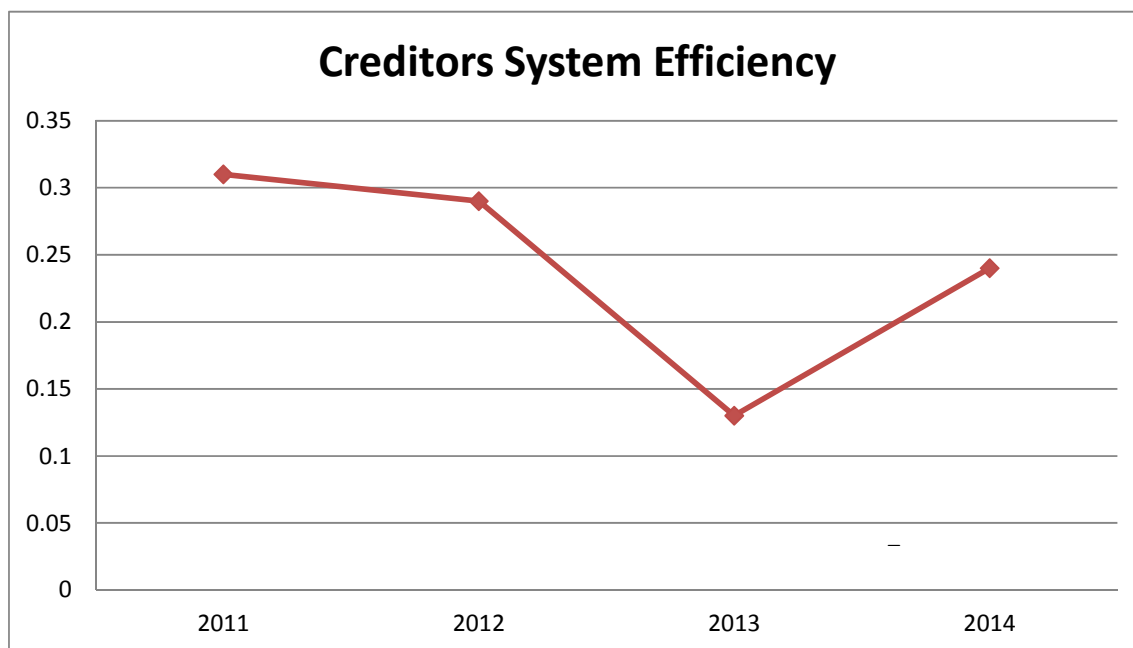
T 5.4.2



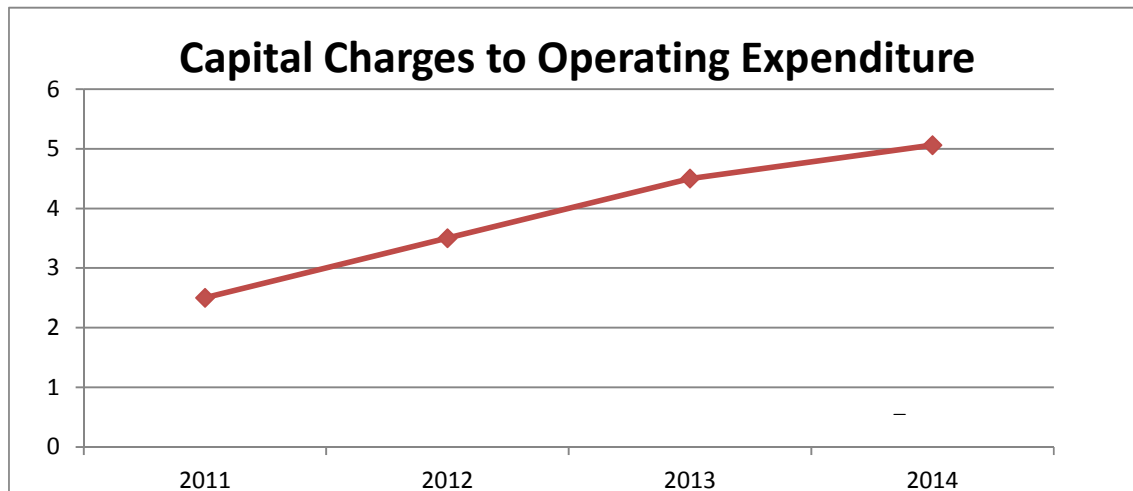
Total Outstanding Service debtors- Measures how much money is still owed by the community for rates, waste removal and other municipal services compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from AFS 2011 – 2014

T 5.4.3

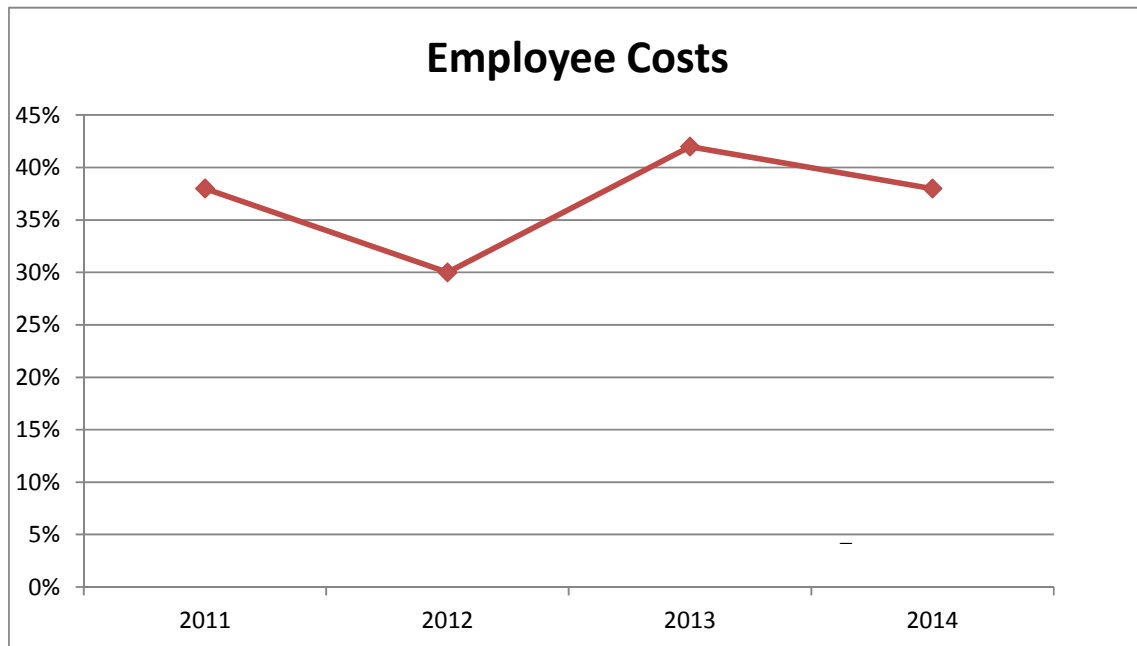


Creditor System Efficiency – The proportion of creditors paid within 30 days. This ratio is calculated by outstanding trade creditors divided by credit purchases.

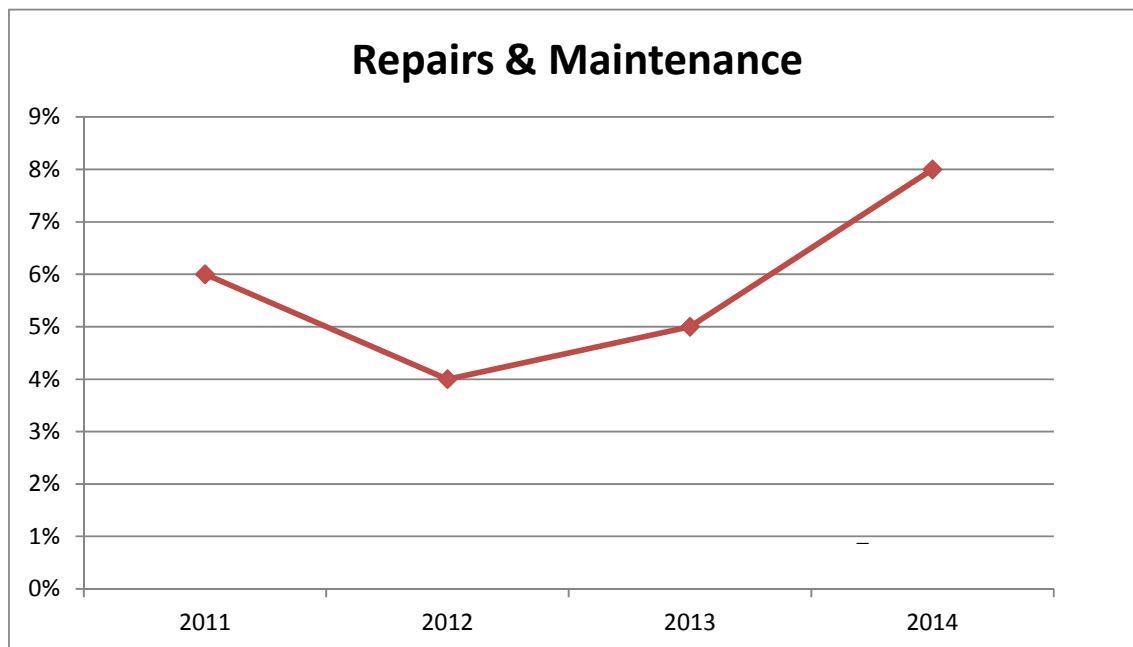


T 5.4.6

Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.



Employee cost – measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.



Repairs and Maintenance. This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance by total operating expenditure.

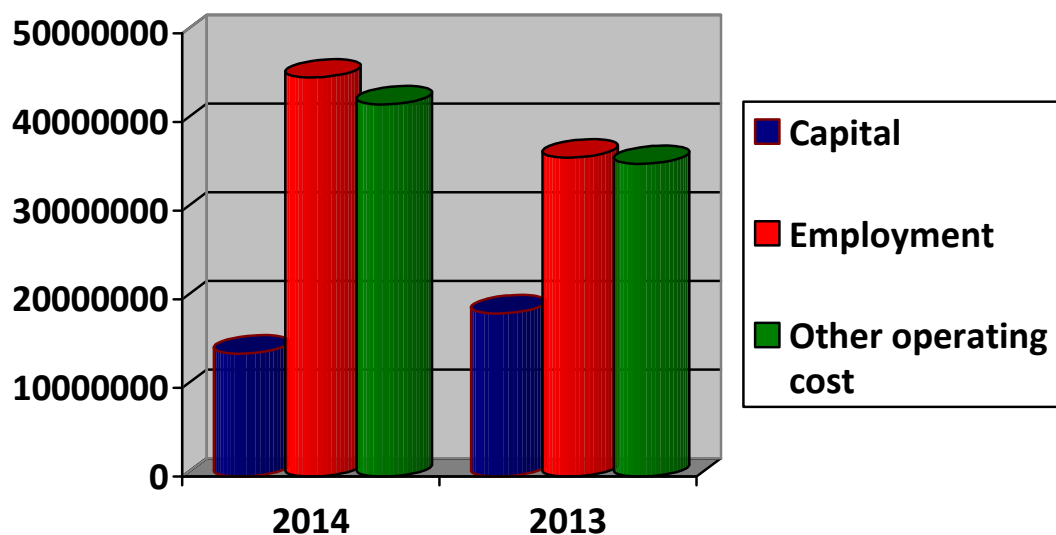
Data used from AFS 2011 – 2014

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

T 5.5.0

5.5 CAPITAL EXPENDITURE



T 5.5.0

5.6 SOURCES OF FINANCE

Capital Expenditure Funding Sources Year 2013/2014				
R'000				
	Original Budget	Adjustment Budget	Actual	Budget Variance (%)
Sources of Finance				
Government grants	22 296	-	18 888	(15%)
Internal generated fund	11 022	11 385	22 407	103%
Total	33 318	11 385	44 703	
Percentage of Finance				
Government grants	67%	-	84%	(15%)
Internal generated fund	33%	100%	16%	103%
Capital Expenditure				
Governance and administration	3 000	75	3 075	
Community and public safety	4 918	2 650	7 568	
Roads	24 900	8 660	33 560	
Environmental protection	500	-	500	
Total	33 318	11 385	44 703	
Governance and administration	9%	1%	7%	
Community and public safety	15%	23%	17%	
Roads	75%	76%	75%	
Environmental protection	1%	-	1%	
T 5.3.4				

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure Funding Sources Year 2013/2014				
				R'000
Name of Project	Original Budget	Adjustment Budget	Actual	Budget Variance (%)
Mbava Electrification	3 064	3 064	3 064	-
Masijabule Sports field	1 235	1 235	1 235	-
Road – D708	1 229	1 229	1 229	-
Road – D1006	1 129	1 129	1 129	-
Regravelling of Roads	1 063	1 063	1 063	-
Mbava Electrification				
Objective of project	Increase number of households with access to electricity			
Delays	None			
Future Challenges	Maintenance cost increase			
Anticipated citizen benefits	Improvement in quality of life			
Masijabule Sports field				
Objective of project	Access to sports facility of acceptable standard			
Delays	None			
Future Challenges	Keeping sports field in its original condition through continuous maintenance			
Anticipated citizen benefits	Sport and recreation facility for the youth that support physical fitness			
Road – D708 and D 1006				
Objective of project	Improve quality of local road that support community activities			
Delays	none			
Future Challenges	Maintenance cost increase			
Anticipated citizen benefits	Improvement in quality of life			
Regravelling of Roads				
Objective of project	Improve quality of local road that support community activities			
Delays	none			
Future Challenges	Maintenance cost increase			
Anticipated citizen benefits	Improvement in quality of life			
T 5.3.4				

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURAL BACKLOGS

No performance rewards were paid during the reporting period.

T 5.8.1

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

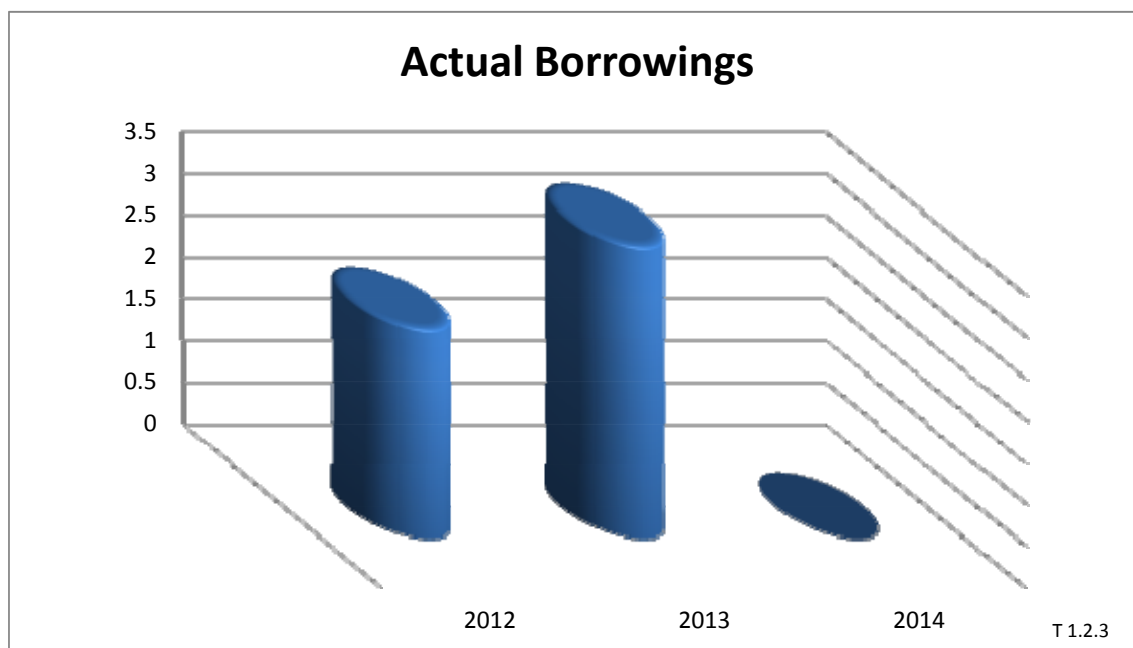
INTRODUCTION TO CASHFLOW MANAGEMENT AND INVESTMENTS

No performance rewards were paid during the reporting period.

T 4.4.1.1

5.9 CASH FLOW

5.10 BORROWING AND INVESTMENTS



5.11 PUBLIC PRIVATE PARTNERSHIPS

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

5.13 GRAP COMPLIANCE

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AG'S OPINION ON FINANCIAL STATEMENTS YEAR 2011

6.1 AUDITOR GENERAL REPORTS YEAR -2012 (PREVIOUS YEAR)

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2013

6.2 AUDITOR GENERAL REPORT YEAR 2012

GLOSSARY

ABBREVIATIONS AND ACRONYMS USED IN THIS DOCUMENT

AG	Auditor General
ANC	African National Congress
ASB	Accounting Standard Board
CFO	Chief Financial Officer
Cllr	Councilor
DA	Democratic Alliance
DBSA	Development Bank of Southern Africa
DoRA	Division of Revenue Act
EE	Employment Equity
EMF	Environmental Management Framework
EPWP	Expanded Public Works Programme
FBE	Free Basic Electricity
GIS	Geographic Information System
GRAP	General Recognised Accounting Practice
ICT	Information Communication Technology
IDP	Integrated Development Plan
IFP	Inkatha Freedom Party
IGR	Intergovernmental Relations
IMATU	Independent Municipal and Allied Trade Union
IT	Information Technology
KPA	Key Performance Area
KPI	Key Performance Indicators
KZN	KwaZulu-Natal
LED	Local Economic Development
LGSETA	Local Government Sector Education Training Agent
MANCO	Management Committee
MPAC	Municipal Public Accounts Committee
MIG	Municipal Infrastructure Grant
MFMA	Municipal Finance Management Act
MM	Municipal Manager
MSP	Master Systems Plan
NFP	National Freedom Party
NGO	Non-Governmental Organisation
OSS	Operation Sukuma Sakhe
PAYE	Pay-As-You-Earn
PMS	Performance Management System
SALGA	South African Local Government Association
SAMWU	South African Municipal Workers Union
SMME	Small Medium and Micro Enterprise
TMX	Telephone Management System
WSP	Workplace Skills Plan

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Committees Allocated	Ward	Part Represented	Percentage of Council meeting attended	Percentage Apologies for non-attendance
Dlamini M.P	HR and SG / MPAC	Ward 1	ANC	100%	N/A
Dladla P.M	ED and P	Ward 2	ANC	89%	11%
Mbele S.S	HR and SG	Ward 3	ANC (Deputy Mayor)	78%	11%
Maseko G.S	MPAC	Ward 4	ANC	78%	0%
Ngcobo G.H	ED and P	Ward 5	ANC	89%	11%
Gumede S.R.J	HR and SG	Ward 6	ANC	67%	22%
Mbatha-Ntuli S.M	HR and SG	Ward 7	ANC	89%	11%
Gwala B.M	Finance	Ward 8	ANC (Mayor)	89%	11%
Mbongwa E.B	ED and P	Ward 9	ANC	100%	N/A
Mkhize M.J	Infrastructure and CS	Ward 10	ANC	67%	0
Thusi A.T	ED and P	Ward 11	ANC	89%	11%
Duma S.A	MPAC / Infrastructure and CS	Ward 12	ANC	100%	0%
Goba M.	Infrastructure and CS	Ward 13	ANC	89%	11%
Luthuli S.J	Finance	PR	ANC	89%	11%
Mungroo R.	Infrastructure and CS	PR	ANC	56%	0%
Msomi N.M.N		PR	ANC (Speaker)	100%	0
Khanyile N.R	Infrastructure and CS	PR	ANC	100%	0
Mdunge N.P	Finance	PR	ANC	89%	11%
Thusi N.A	Finance	PR	ANC	89%	11%
Hlatshwayo T.A	MPAC	PR	DA	89%	0%
Defries M.	Finance	PR	DA	89%	11%
Thusi Z.A	Finance	PR	IFP	80%	10%
Mncwabe V.M	MPAC	PR	IFP	89%	11%
Hlophe N.H	HR and SG	PR	IFP	78%	11%
Gabela T.I	HR and SG	PR	NFP	78%	22%
Shabangu N.L		PR	NFP	89%	0%
Except for the Mayor, Speaker and Deputy Mayor all councillors are working on a part time basis					T.A.1

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committee	Purpose
Finance	Oversight
Economic Development and Planning (EDP)	Oversight
Infrastructure and Community Service	Oversight
Human Resources and Sound Governance	Oversight
Local Labour Forum (LLF)	Organisational Development
Municipal Public Accounts Committee (MPAC)	Oversight
Audit Committee	Oversight and advisory service to council on risk management , corporate governance, performance management and financial management
Specification Committee	Complie specification for bids
Evaluation Committee	Evaluate bids
Adjudication Committee	Evaluate the bid process and make recommendations for awards
T B.1	

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE AND (MANCO)

Department / Units	Manager / Assistant manager
Mayor Administration	N. Masango
Deputy Mayor Administration	N. Masango
Speakers Administration	N. Zondi
Municipal Managers Office B.T Zondi (Acting)	A. Hay G. Gwala T. Mathenjwa
Financial Management R. Mani	S. Xaba T.Mkhulisi V. Gounder
Community Services B.T Zondi	B.W Ntsangase M.Mkhize M.Mlobeli T. Luthuli B. Zondi
Corporate Services G.M Corporate	A.N Mkhize A. Naguran G. Gwala
Technical Services P. Hariparsad (Acting)	P. Gwala W. Robson
T C.1	

APPENDIX D – MUNICIPAL POWERS AND FUNCTIONS POWERS AND FUNCTIONS

The powers and functions of uMshwathi Municipality as assigned by the MEC for COGTA are set out below:

- Air Pollution
- Amusement Facilities
- Billboards and Display of Advertising in Public Places
- Building Regulations
- Cemeteries, Crematoria and Funeral Parlors
- Child Care Facilities
- Cleansing
- Control of Nuisances
- Control of Undertakings that Sell Liquor to the Public
- Facilities for Accommodation and Care and Burial of Animals
- Fencing and Fences
- Fire Fighting
- Licensing and Control of Undertakings that Sell Food to the Public
- Licensing of Dogs
- Local Amenities
- Local Markets
- Local Sport Facilities
- Local Tourism
- Municipal abattoirs
- Municipal Parks and Recreation
- Municipal Planning
- Municipal Roads
- Noise Pollution
- Pounds
- Public Places
- Public Transport
- Refuse Removal, Refuse Dumps and Solid Waste Disposal
- Storm Water
- Street Lighting
- Street Trading
- Trading regulations
- Traffic and Parking Strategic Goals and Directions

T D.1

APPENDIX E – WARD REPORTING

Ward	Ward Councilor	Committee Established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly report submitted to Speakers Office on Time	Number of quarterly public ward meetings held during the year
Ward 1	Dlamini M.P	Yes	9	9	6
Ward 2	Dlamini P.M	Yes	10	10	9
Ward 3	Mbele S.S	Yes	13	13	6
Ward 4	Maseko G.S	Yes	4	4	1
Ward 5	Ngcobo G.H	Yes	14	14	2
Ward 6	Gumede S.R.J	Yes	10	10	2
Ward 7	Mbatha-Ntuli S.M	Yes	10	10	2
Ward 8	Gwala B.M	Yes	0	0	0
Ward 9	Mbongwa E.B	Yes	12	12	3
Ward 10	Mkhize M.J	Yes	9	9	1
Ward 11	Thusi A.T	Yes	7	7	2
Ward 12	Duma S.A	Yes	11	11	2
Ward 13	Goba M.	Yes	9	9	1
					T E.1

APPENDIX F – WARD INFORMATION

Top three Service Delivery Priorities for Ward

No.	Priority 1	Priority 2	Priority 3
1	Improve workmanship of housing units	Water	Tarring of all roads in Thokozane
2	Clinic and ambulance services	Water standpipes	Supermarkets and banks
3	Building of community hall in Ekhamanzi	Electricity	Water
4			
5	Water	Electricity	Gwala road
6	Tarring of D599	Tarring D1006	Masijabule sportsfield upgrade
7	Re-sealing of Cool Air and Wartburg roads	Cool Air Sports arena	Library / flood lights
8	Tarring of Dumela road and bridge	Building of Ezalukazini Community Hall	Tarring of Mbeka Road
9	Clinic	Upgrade of main road	Streetlights
10	Land and housing	Complete tarring of road D708	Building of a clinic
11	Complete tarring of Hlambamasoka road	Extension of Gujini Creche	Gravelling of Tholeni road
12	Tarring of D1012	Housing	Water
13	Tarring of D457	Tarring of Ndlaveleni road	Library
T.F.3			

Sources: IDP 2013/2014

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2013

Municipal Audit Committee Recommendations	
Committee recommendations during 2014	Recommendation adopted (Yes) or explanation
Provide employment opportunity to persons leaving with disabilities needs to be addressed	Yes
Internal auditors to include monthly time frames on their audit areas and performance.	Yes
Chairperson of MPAC to attend audit committee meetings	Yes. However this recommendations was not exercised during the year.
Performance management schedules to be done quarterly	Yes
Audit Committee Charter needs to be reviewed	Yes
T.G	

APPENDIX H – LONG TERM CONTRACTS

Long Term Contracts					
Name of Services Provider	Description of Services Rendered by the Services Provider	Start date of contract	Expiry date of contract	Project Manager	Value R
The Natal Witness	Subscription Mayor's and MM's office	30-Jun-13	30-Jun-14	Amudha Naguran	
Ilanga Security	Security Services	01-Feb-11	31-Jan-14	Kevin Perumal	
Nashua Pmb	Rental of photocopiers	01-Sep-09	31-Aug-14	Amudha Naguran	
Panasonic Business	Rental of photocopier	01-Oct-12	30-Nov-15	Amudha Naguran	
Ambius	Plant & Pot Rental Thusong Centre and New Hanover Offices	Jul-13	01-Jul-15	Amudha Naguran	
Indwe Risk Services	Short term insurance	01-Nov-12	31-Oct-15	Amudha Naguran	R 158,366.00
Morar Incorporated	Provision of Internal Audit Services	01-Feb-13	01-Feb-16	Ramesh Mani	R 723,276.00
Amaqadi Suppliers CC	Website Maintenance	01-Oct-13	01-Oct-14	Gift Gwala	R 153,000.00
Tradesman Consulting	MFMP Training for Interns	17-Sep-13	17-Jan-13	Ramesh Mani	R 252,000.00
Gijima Technology	PABX	01-Aug-13	31-Jul-16	Gift Gwala	R 76,689.00
Bidvest Steiner	Hygiene Services for all Municipal Offices	01-Feb-14	31-Jan-15	Amudha Naguran	R 104,813.64
Fidelity Security Services	Daily Banking Services	01-Feb-11	01-Jan-14	Vani Gounder	
First National Bank	Banking Services	01-Apr-12	31-Mar-17	Ramesh Mani	
Mills Fitchet	General Valuation Roll Maintenance	01-Jul-13	31-Oct-15	Vani Gounder	R 1,997,749.00
Big Eye	Maintenance of access control system, video intercoms, analogue intercoms, electrified gates	01-Dec-14	30-Nov-14	Gift Gwala	R59,850.00
Travel with Flair (Pty)Ltd	Travel Agent	01-Jan-14	30-Dec-14	Sandile Gabela	
Inspect A Pest	Pest Control	01-Feb-14	30-Jan-15	Amudha Naguran	R12 768.00
T.G					

APPENDIX I – SERVICE PROVIDER PERFORMANCE SCHEDULE

Name of the company awarded	Description	Comment on performance
A1 Electrical	Electrification Kamelhoek	Excellent
A1 Electrical	Mbava Electrification	Excellent
Anelisuthando Construction Trading	Renovation of Cool Air Sportsfield	satisfactory
Ayanda Construction and Catering	Thokozani Grass Cutting and Litter Collection	
Kerush's Transport cc	The construction Of COOL AIR housing development internal roads	Excellent
Kunguthandoh Trading	Construction of Hlathikhulu Hall	satisfactory
Kunguthandoh Trading	Renovation of the Mtulwa Sportsfield	Poor
Nojikela-Nezakhe Construction	Plant Hire for Road Maintenance	satisfactory
P&MG Trading Enterprise cc	Renovation of the Sxadini Sports field	satisfactory
Santo Civils Trans and Maintenance	Construction of okhalweni access road	satisfactory
Santo Civils Trans and Maintenance	Construction of dumela bridge pipe causeway	satisfactory
Thami Ngcobo & Associates	Construction of Ekhamanzi Hall	satisfactory
Tradesman Consulting and Training Solutions	Municipal Finance Management Program	satisfactory
Tsa Legae Trading JV Isiphonjabulo 3	Reaseling of Roads in Ward 2 and 7	satisfactory
Ubunye Plant Hire cc	Upgrading of road D1006	Poor
ukuphehla construction and project cc	upgrading of ndlaveleni road	Excellent
Yompi Yompi JV Mabhude	Upgrading of Masijabule sport field	Excellent

APPENDIX I – SERVICE PROVIDER PERFORMANCE SCHEDULE

Name of the company awarded	Description	BBBEE Level	Service Provider Appraisal
Morar Incorporated	Provision of Internal Audit Services	1	
Reapers Agricultural	Supply of Tractors	4	Good
Thutha Motors	Supply of Sedans	4	
Sealcoat Surfacing and Asphalt	Upgrading of Road D708	4	Excellent
Deck steel and Concrete CC	Upgrading of Road D599	1	Excellent
Busizwe Trade Supplies CC	Upgrading of Road D1006	3	Contract terminated due to underperformance
Workwear Depot	Supply of Protective Clothing		
Gijima Holdings PTY LTD	provision and installation of a new telephone management system and PABX	2	Satisfactory
D Z Contractors	Construction of athletic track at cool air sportsfield	3	Satisfactory
Burewa Trading 206	Upgrading of Kwa Ntanz Road	3	Good
Dixie Bay Trading 2 cc	Resealing of Roads in cool air and Wartburg	3	Contract terminated due to underperformance
Dalamane Trading cc	Construction of Nomhele Hall	3	Satisfaction
Barleda 232 CC T/A Barleda Civils and Plant	Plant Hire Services	5	Excellent
Kerush's Transport	Rehabilitation of Thokozane Roads	5	Excellent
Barleda 232 CC T/A Barleda Civils and Plant	Rehabilitation of Road D1012	5	Excellent
Kerush's Transport	Upgrading of Efaye Road	5	Excellent
Kerush's Transport	Upgrading of New Hanover Extension Roads	5	Excellent
Sinotho Electrical and Civil Engineering CC	Rehabilitation of Trust Feed Road		Good
Indwe Risk Services	Short Term insurance cover	4	Excellent

APPENDIX I – SERVICE PROVIDER PERFORMANCE SCHEDULE (Continues)

Name of the Services Provider	Description	Comment on performance
Travel with Flair (Pty)Ltd	Travel Agent	Satisfactory
The Natal Witness	Newspaper subscription Mayor's office	Satisfactory
The Natal Witness	Newspaper subscription MM's office	Satisfactory
Ilanga Security	Security Services	Satisfactory
Nashua PMB	Rental of photocopiers	Satisfactory
Panasonic Business	Rental of photocopier	Satisfactory
Rentokil	Fumigation of Offices for rodents	Satisfactory
Ambius	Plant & Pot Rental	Satisfactory
Midlands Comm	Rental of PABX	Fair
Steiner Hygiene	Hygiene Services Wartburg and New Hanover Office	Fair

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosure of Financial Interests: Period 1 July 2013 – June 2014		
Position	Name	Description of Financial Interest (person doing business with Council)
Mayor	Gwala B.M	Not applicable
Deputy Mayor	Mbele S.S	Not applicable
Speaker	Gabela N.M.N	Not applicable
Cllr	Dlamini M.P	Not applicable
Cllr	Dlamini P.M	Not applicable
Cllr	Maseko G.S	Not applicable
Cllr	Ngcobo G.H	Not applicable
Cllr	Gumede S.R.J	Not applicable
Cllr	Mbatha-Ntuli S.M	Not applicable
Cllr	Mbongwa E.B	Not applicable
Cllr	Mkhize M.J	Not applicable
Cllr	Thusi A.T	Not applicable
Cllr	Duma S.A	Not applicable
Cllr	Goba M.	Not applicable
Cllr	Luthuli S.J	Not applicable
Cllr	Mungroo R.	Not applicable
Cllr	Khanyile N.R	Not applicable
Cllr	Mdunge N.P	Not applicable
Cllr	Thusi N.A	Not applicable
Cllr	Hlatshwayo T.A	Not applicable
Cllr	Defries M.	Not applicable
Cllr	Thusi Z.A	Not applicable
Cllr	Mncwabe V.M	Not applicable
Cllr	Hlophe N.H	Not applicable
Cllr	Gabela T.I	Not applicable
Cllr	Shabangu N.L	Not applicable
Acting Municipal Manager / GM: Community	Zondi Trevor	Not applicable
CFO	Ramesh Mani	Not applicable
GM: Corporate Services	Perumal Kevin	Not applicable
GM: Technical Services	Hariparsad Pravir	Not applicable
T.J		

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						R'000
Vote Description	2013	2014			2014 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Property Rates	15 562	22 000	23 300	23 899		
Rates: Penalties	1 049	800	1 000	1 326		
Interest earned – Investments	796	800	800	847		
Interest earned – outstanding debtors	7 564	7 250	7 500	8 180		
Fines	46	101	51	42		
Grants: Equitable Share	55 307	61 423	61 423	61 423		
Grants: FMG	1 500	1 650	1 650	1 650		
Grants: MSIG	800	890	890	890		
Department of Arts and Culture	454	777	777	777		
Housing Plan	-	-	-	-		
Department of Energy	-	5 000	5 000	5 000		
Grants: MIG	18 404	22 296	22 296	13 883		
Income for Agency Services	2 226	1 900	2 150	2 362		
Sale of Assets	-	-	-	-		-
Rental of facilities	173	150	200	200		
Service Charges Ref for AFS note 13	1 650	1 800	1 800	1 801		
Other income : Refer to note 15 of the AFS	333	134	134	368		
						T.G

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Vote						
R'000						
Vote Description	2013	2014			2014 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
General Council	59 322	65 795	65 965	65 991		
Public Safety	46	100	50	41		
Community and Social Services	2 314	1 987	2 232	246		
Financial and Admin	23 935	30 875	32 628	34 308		
Waste Management	1 650	1 800	1 800	1 801		
Road Transport	18 596	22 416	22 376	19 083		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR						T.K

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R'000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions
Equitable Share	61 423	61 423	61 423	-	-	
Clinic Subsidy	-	-	-	-	-	
MSIG	890	890	890	-	-	
FMG	1 650	1 650	1 650	-	-	
Department of Arts and Culture	777	777	777	-	-	
						T.L

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure – New assets Programme							
R'000							
Description	2013	2014			Planned Capital Expenditure		
	Actual	Original Budget	Adjusted Budget	Actual	2015	2016	2017
<u>Capital expenditure by Assets Class Infrastructure - Total</u>							
Infrastructure	172				8 000	9 900	10 130
Constructions works	10 719				13 500		
Community buildings	9 432				7 200	-	-
Office automation	551				500	-	-
Furniture and fittings	149				500	-	-
Machinery	32				2 500	-	-
Vehicles	4 513				1 000	-	-
							T M.1

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

[illegible]

Refer to T M 1 schedule

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2014

Capital Programme By Project 2014					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act – Adj)%	Variance (Act – OB)%
<u>Capital expenditure by Assets</u>					
<u>Class Infrastructure - Total</u>					
Infrastructure	3 300 000	3 300 000	6 823 304		
Constructions works	17 900 000	26 560 000	13 718 093		
Community buildings	7 818 000	10 468 000	2 010 560		
Office automation	600 000	675 000	1 155 814		
Furniture and fittings	200 000	200 000	637 125		
Machinery	1 000 000	1 000 000	1 99 948		
Vehicles	1 700 000	1 700 000	-		
Land	800 000	800 000	-		
Total	33 318 000	44 703 000	24 544 844		
T N					

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 2014

Capital Programme By Project			
Capital Project		2013/2014	
		Started in 2013	Carry Over
ROADS			
Dalton/New Hanover Roads & Stormwater		2 500 000	
Okhalweni Road		1 500 000	
Kwantanzi Road			200 000
Shalkeni Road			850 000
Tarring of D599			1 250 000
Upgrade of Coolair & Wartburg Roads		3 000 000	
Cool Air Housing: Bus Route		4 900 000	
Dumela Bridge			860 000
D1006			3 000 000
Tarring of D708			1 500 000
Concrete Road on D1012		3 000 000	1 000 000
Tarring of Ndlaveleni Road		3 000 000	
PUBLIC WORKS PROJECTS			
Upgrade of Community Halls - Various		3 418 000	1 500 000
Nomhele Hall			1 150 000
Ekhamanzi Hall		2 200 000	
Hlathikulu Hall		2 200 000	
Sports Facilities		1 300 000	
Cool Air Sports Field			
Upgrading of Masjabule Sportsfield		1 500 000	
High Mast Lighting - Various Wards		500 000	
Electrification			
Municipal Buildings			
Land		800 000.00	
Grader		500 000.00	
Vehicles		1 700 000.00	
Computer Equipment		300 000.00	
Furniture		200 000.00	
Plant		500 000.00	
Equipment: Traffic		200 000.00	
Equipment: General		100 000.00	75 000
T N			

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Not applicable
T P

**APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE
ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION**

T P

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

No loans or grants were given by the municipality to any person or organization during the 2013/2014 financial year.

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcomes/Output	Progress to date	Number or Percentage Achieved
Output improving access to basic services		
Output implementation of the Community Work Programme		
Output Deepen democracy through a refined Ward Community model		
Output Administrative and financial capability		
T S		

APPENDIX T – ANNUAL PERFORMANCE REPORT

Attached
T T

APPENDIX W LEARNERSHIP AND SKILLS PROGRAM TRAINING 2014

NO	Learnership / Skills Program	(unemployed learners) S 18.2	(employed learners) 18.1.
1	National Certificate End User Computing	39	
2	National Certificate ABET Practices	39	
3	ABET Literacy Project	60	
4	National Certificate Community Development (HIV/AIDS Support)	39	
5	FETC: New Venture Creation (SMME)	39	
6	National Diploma Public Finance Management and Administration		13
7	Certificate in Municipal Finance Management		20
8	FETC Leadership Development		18
9	Certificate in Disaster Risk Management		9
10	National Certificate: Building Civil Construction: Painting	13	
11	National Certificate: Building Civil Construction: Plastering	13	
12	National Certificate: Building Civil Construction: Carpentry	39	
13	National Certificate: Building Civil Construction: Masonry	13	
14	National Certificate: Building Civil Construction: Tiling	13	
15	FETC: Plumbing	39	
16	National Certificate: Local Economic Development	26	

VOLUME II: ANNUAL FINANCIAL STATEMENTS

PROGRESS REPORT ON ACTION PLAN ON AG'S 2014 REPORT

